

Finance, Performance, and Accountability Committee Meeting

October 13, 2023

Meeting Minutes

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

Approve September Meeting Minutes – Commissioner Steven Meyer motioned to approve the September meeting minutes. Commissioner Walmer seconded. September meeting minutes approved.

CCHE Meeting Actions

Consent Items on the Business Agenda

Lauren Gilliland—Deputy Chief Financial Officer—presented several capital items for informational and consent agenda purposes.

The first capital project presented was an information item on a previously approved capital project, the Colorado School of Mines Network Modernization and Refresh, which was approved by the Commission for inclusion on the Fiscal Year 2024-25 capital list. School of Mines was requesting expedited cash spending authority for this project, which included \$7.3 million in state funding and \$2.7 million in cash funding. Expenditure of cash funds had become an emergency need for Mines and the institution understands that expenditure of these cash funds does not guarantee state appropriations. Chair Tucker asked where this project was ranked on the FY2025 list. Ms. Gilliland stated this project was ranked second on the CCHE list. No additional questions were asked.

The next project presented for review and approval to the consent agenda was the approval of a supplemental request for additional cash spending authority for the Colorado School of Mines Re-envisioning Mines ERP (Enterprise Resource Planning) project. Ms. Gilliland stated that this project does not have a state fiscal impact but because of the mixed nature of the project, a supplemental needed to be approved. Due to the project exceeding the original approved project cost, Mines requested additional cash spending authority to use institutional cash funds to cover the difference. Chair Tucker asked for additional context about the partnership nature of the project (in conjunction with Metropolitan State University-Denver). Andrew Moore, Chief Information Officer for Mines, provided additional information in response to Chair Tucker's questions. Commissioner Walmer moved approval. Commissioner Meyer seconded. Item recommended for submission to full commission for inclusion on the consent agenda at the October meeting.

Ms. Gilliland then presented the next agenda item, a recommendation for approval of cash spending authority for the Community College of Denver Clear Creek Building Renovation project. This project does not include any state appropriations as it is funded through cash and federal funds. Commissioner Walmer moved approval. Commissioner Meyer seconded. Item recommended for submission to full commission for inclusion on the consent agenda at the October meeting.

Finally, Ms. Gilliland presented a recommendation for approval of a non-monetary supplemental for the Community College of Aurora Improving Student Access to Technology project. These types of supplemental requests occur outside of regular session and are of a timely need. Commissioner Walmer inquired about the actual amount of funding being transferred across categories. Mark Superka, Chief

Financial Officer for the Colorado Community College System, provided additional information. Commissioner Meyer moved approval. Commissioner Walmer seconded. Item recommended for submission to full commission for inclusion on the consent agenda at the October meeting.

As a final consent agenda item, Crystal L. Collins, Chief Financial Officer, presented program plans for submitted capital projects for approval. Pursuant to C.R.S. 23-1-106(3), no capital construction or capital renewal project shall commence except in accordance with an approved facility master plan and program plan. The Commission is required to approve all program plans before approved projects can commence. Per CCHE policy, program plans must analyze the amounts, types, and relative locations of space required and/or facility system upgrades or replacements for current and projected program plans and define program and cost elements. Ms. Collins stated that staff had reviewed all program plans submitted to ensure compliance with statute and CCHE policy. The commission approved 29 projects in the September commission meeting. Of those 29 projects, 18 projects had received previous program plan approval at some point in the last three years. The remaining 11 projects required new or revised program approval. No questions were asked. Commissioner Walmer moved for approval. Commissioner Meyer seconded. Item recommended for submission to full commission for inclusion on the consent agenda at the October meeting.

Action Items on the Business Agenda

Lauren Gilliland, Deputy Chief Financial Officer, presented the action item for approval, the Fiscal Year 2024-25 Funding Formula Recommendation. Ms. Gilliland outlined the statutory requirements that the Commission must act on—the weight structure for the metrics included in Step 2, performance funding portion of the model and the proportion of funding that should be distributed through each of the three steps of the formula. Additionally, Ms. Gilliland informed the members of the Commission that they may but are not statutorily required to provide a funding level recommendation to the Governor. A summary of three potential distributions to show the effects based on performance for illustrative purposes. Commission members asked questions about the functionality of the performance metrics included in the formula. Commission members expressed frustration with the timing of the need action related to when the Governor’s budget is released. Commissioner Meyer requested additional information on funding levels identified by the institutions. Mark Superka, the institutional representative, stated that the institutional request generally occurs after the Governor’s request is released but before legislative session begins. Commissioners asked for additional information on core minimum costs for institutions. Ms. Gilliland provided that information. Commissioner Meyer stated that it was important to know the actual cost pressures and needs at the institutions to better be able to understand the funding levels that could be recommended by the Commission. Members of the FPA discussed the impact of the STEP increases approved through the COWINS agreement on classified employees and expected implications for non-classified employees. Additional questions remained due to the timing of the meeting and the Governor’s budget process. The subcommittee discussed the impacts of funding through different steps in the formula. After conversation, commission members in attendance recommended keeping the weights in step 2 the same and moving all available funding through step 2. Commissioner Walmer recommended moving forward to the full Commission for further conversation. Commissioner Meyer seconded the motion.

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