

First Regular Session
Sixty-eighth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 11-0720.01 Julie Pelegrin

HOUSE BILL 11-1184

HOUSE SPONSORSHIP

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House Committees
Education

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A BILL FOR AN ACT

101 CONCERNING CREATION OF A COMMITTEE TO CONSIDER FUNDING FOR
102 THE INSTITUTIONS OF HIGHER EDUCATION IN THE STATE.

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)

The bill creates the higher education funding committee (committee) to review and make recommendations concerning funding for the statewide system of higher education. The committee will consist of legislative members; ex officio members from higher education and the elementary and secondary education system; appointed representatives

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

from the state and private institutions of higher education, including the junior colleges and area vocational schools; and appointed representatives from the business community. The president of the senate and the speaker of the house of representatives will jointly appoint all of the appointed members.

The committee will specifically consider funding sources and mechanisms for the state system of higher education and financial incentives and other strategies for increasing retention and completion rates and decreasing the time to completion. In considering these issues, the committee will take into account existing statutes concerning performance-based funding, maintaining enterprise status for the state institutions of higher education, and the recommendations of the higher education strategic planning steering committee.

The committee will meet at least once in each of the 4 quadrants of the state. The committee will submit its report and legislative recommendations to the legislative council. The legislative council staff, the office of legislative legal services, and the department of higher education will provide staff support to the committee.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** Title 23, Colorado Revised Statutes, is amended BY
3 THE ADDITION OF A NEW ARTICLE to read:

4 **ARTICLE 1.3**

5 **Higher Education Funding Committee**

6 **23-1.3-101. Legislative declaration.** (1) THE GENERAL
7 ASSEMBLY HEREBY FINDS THAT:

8 (a) IN 2009, THE GOVERNOR APPOINTED THE HIGHER EDUCATION
9 STRATEGIC PLANNING STEERING COMMITTEE, REFERRED TO IN THIS
10 SECTION AS THE "STEERING COMMITTEE", TO EXAMINE CLOSELY THE
11 STATE SYSTEM OF HIGHER EDUCATION IN COLORADO AND DEVELOP A
12 STRATEGIC PLAN TO ADDRESS THE FUTURE OF THE SYSTEM AND MAKE
13 RECOMMENDATIONS FOR CONTINUED GROWTH AND IMPROVEMENT.
14 SPECIFICALLY, THE STEERING COMMITTEE WAS CHARGED WITH FOCUSING
15 ON RECOMMENDATIONS THAT WILL ENABLE THE SYSTEM TO DOUBLE, BY

1 2020, THE NUMBER OF CAREER AND TECHNICAL EDUCATION CERTIFICATES
2 AND UNDERGRADUATE DEGREES EARNED BY STUDENTS IN COLORADO
3 INSTITUTIONS OF HIGHER EDUCATION.

4 (b) THE FINAL STRATEGIC PLAN ISSUED BY THE STEERING
5 COMMITTEE IN NOVEMBER 2010 NOTED THE IMPORTANCE OF HIGHER
6 EDUCATION IN CREATING AND SUSTAINING HIGH-LEVEL JOBS IN THE STATE
7 AND IN FUELING THE STATE'S ECONOMY;

8 (c) IN ITS FINAL REPORT, THE STEERING COMMITTEE FOUND THE
9 CONDITION OF HIGHER EDUCATION IN COLORADO "ALARMING AND
10 DETERIORATING", DUE IN GREAT PART TO THE DECLINE IN THE STATE'S
11 FINANCIAL SUPPORT FOR THE STATE INSTITUTIONS OF HIGHER EDUCATION,
12 THE RESULTING COST-BURDEN SHIFT TO STUDENTS AND THEIR FAMILIES,
13 AND A SUBSEQUENT DECREASE IN STUDENTS' ABILITY TO AFFORD HIGHER
14 EDUCATION AND INCREASE IN THE ACADEMIC ACHIEVEMENT GAP BETWEEN
15 MAJORITY AND MINORITY SEGMENTS OF SOCIETY. AS STATED BY THE
16 STEERING COMMITTEE, "WITHOUT CHANGING THE COURSE OUR STATE IS
17 NOW FOLLOWING, WE ARE HEADED TO A FUTURE WE DON'T WANT."

18 (d) THE STEERING COMMITTEE ALSO FOUND THAT, OF ONE
19 HUNDRED STUDENTS ENTERING NINTH GRADE, ONLY SEVENTY OF THEM
20 WILL GRADUATE FROM HIGH SCHOOL; FORTY-FOUR OF THEM WILL ENTER
21 A POSTSECONDARY INSTITUTION; AND TWENTY-TWO OF THE ORIGINAL ONE
22 HUNDRED WILL ACTUALLY GRADUATE FROM COLLEGE WITH A CERTIFICATE
23 OR DEGREE WITHIN SIX YEARS AFTER ENTERING;

24 (e) ALTHOUGH TOTAL APPROPRIATIONS FOR THE STATE SYSTEM OF
25 HIGHER EDUCATION HAVE INCREASED SINCE FISCAL YEAR 2007-08, THIS
26 HAS BEEN ACCOMPLISHED ONLY BY INCREASING THE AMOUNT OF TUITION
27 AND FEES CHARGED TO STUDENTS AND USING ONE-TIME FEDERAL

1 STIMULUS FUNDS TO SUBSTITUTE FOR STATE GENERAL FUND
2 APPROPRIATIONS;

3 (f) FROM FISCAL YEAR 2007-08 TO FISCAL YEAR 2010-11, THE
4 GENERAL FUND APPROPRIATION FOR THE INSTITUTIONS OF HIGHER
5 EDUCATION IN THE STATE DECREASED BY EIGHTY-EIGHT MILLION SEVEN
6 HUNDRED EIGHTY-TWO THOUSAND FOUR HUNDRED FORTY DOLLARS OR
7 THIRTEEN AND TWO-TENTHS PERCENT. THE CASH FUND APPROPRIATION,
8 REPRESENTING TUITION AND FEES, INCREASED DURING THIS PERIOD BY
9 FOUR HUNDRED EIGHTY-EIGHT MILLION EIGHT HUNDRED FIFTY THOUSAND
10 FOUR HUNDRED SIXTY-NINE DOLLARS OR FORTY-THREE AND NINE-TENTHS
11 PERCENT. THE AMOUNT OF FEDERAL FUNDS APPROPRIATED FOR THE STATE
12 INSTITUTIONS OF HIGHER EDUCATION DURING THIS PERIOD INCREASED BY
13 EIGHTY-NINE MILLION FOUR THOUSAND THIRTY-FIVE DOLLARS OR FOUR
14 HUNDRED THIRTY-FOUR AND SIX-TENTHS PERCENT.

15 (g) THE BUDGET REQUEST FOR FISCAL YEAR 2011-12 CONTINUES
16 THE TREND OF MOVING FUNDING FROM GENERAL FUND APPROPRIATIONS
17 TO TUITION AND FEES. THE DEPARTMENT OF HIGHER EDUCATION HAS
18 PROPOSED DECREASING THE GENERAL FUND APPROPRIATION FOR THE
19 INSTITUTIONS OF HIGHER EDUCATION BY THIRTEEN MILLION FIVE HUNDRED
20 THOUSAND DOLLARS OR TWO AND THREE-TENTHS PERCENT. THE
21 DEPARTMENT HAS ALSO REQUESTED AN INCREASE IN THE CASH FUND
22 APPROPRIATION OF SEVENTY-EIGHT MILLION FIVE HUNDRED THOUSAND
23 DOLLARS OR FOUR AND NINE-TENTHS PERCENT.

24 (h) IN ITS FINAL REPORT, THE STEERING COMMITTEE IDENTIFIED
25 THE TWO CRITICAL LEVERS FOR IMPROVING HIGHER EDUCATION IN THE
26 STATE AS INCREASING THE FUNDING LEVELS AND PLACING GREATER FOCUS
27 ON INCENTIVES AND OTHER STRATEGIES TO INCREASE THE COMPLETION

1 RATE FOR CAREER AND TECHNICAL EDUCATION CERTIFICATES AND
2 UNDERGRADUATE DEGREES.

3 (2) THE GENERAL ASSEMBLY CONCLUDES, THEREFORE, THAT IT IS
4 NECESSARY TO CREATE A HIGHER EDUCATION FUNDING COMMITTEE TO
5 EXAMINE WAYS TO INCREASE THE LEVEL OF FUNDING FOR THE
6 INSTITUTIONS OF HIGHER EDUCATION IN THE STATE AND TO CONSIDER
7 FINANCIAL INCENTIVES AND OTHER STRATEGIES FOR RETAINING STUDENTS
8 AND ENABLING THEM TO EFFICIENTLY COMPLETE CAREER AND TECHNICAL
9 EDUCATION CERTIFICATES AND UNDERGRADUATE DEGREES.

10 **23-1.3-102. Higher education funding committee - created.**

11 (1) THERE IS HEREBY CREATED THE HIGHER EDUCATION FUNDING
12 COMMITTEE, REFERRED TO IN THIS ARTICLE AS THE "COMMITTEE", TO
13 CONSIDER AND MAKE RECOMMENDATIONS TO THE GENERAL ASSEMBLY
14 CONCERNING FUNDING FOR THE STATEWIDE SYSTEM OF HIGHER
15 EDUCATION WITH THE GOAL OF INCREASING THE OVERALL FUNDING LEVEL
16 OF THE STATEWIDE SYSTEM OF HIGHER EDUCATION. THE COMMITTEE
17 SHALL CONSIST OF THE FOLLOWING MEMBERS:

18 (a) FOUR MEMBERS OF THE SENATE, TWO OF WHOM ARE APPOINTED
19 BY THE PRESIDENT OF THE SENATE AND TWO OF WHOM ARE APPOINTED BY
20 THE MINORITY LEADER OF THE SENATE;

21 (b) FOUR MEMBERS OF THE HOUSE OF REPRESENTATIVES, TWO OF
22 WHOM ARE APPOINTED BY THE SPEAKER OF THE HOUSE OF
23 REPRESENTATIVES AND TWO OF WHOM ARE APPOINTED BY THE MINORITY
24 LEADER OF THE HOUSE OF REPRESENTATIVES;

25 (c) FOUR EX OFFICIO MEMBERS, OR THEIR DESIGNEES, AS FOLLOWS:

26 (I) THE CHAIR OF THE COLORADO COMMISSION ON HIGHER
27 EDUCATION;

1 (II) THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF HIGHER
2 EDUCATION;

3 (III) THE CHAIR OF THE STATE BOARD OF EDUCATION;

4 (IV) THE COMMISSIONER OF EDUCATION; AND

5 (d) THE FOLLOWING MEMBERS APPOINTED JOINTLY BY THE
6 PRESIDENT OF THE SENATE AND THE SPEAKER OF THE HOUSE OF
7 REPRESENTATIVES:

8 (I) A REPRESENTATIVE FROM EACH OF THE STATE INSTITUTIONS OF
9 HIGHER EDUCATION, AS DEFINED IN SECTION 23-18-102 (10) (a);

10 (II) A REPRESENTATIVE FROM EACH OF THE GOVERNING BOARDS
11 OF THE STATE INSTITUTIONS OF HIGHER EDUCATION, AS DEFINED IN
12 SECTION 23-18-102 (10) (a);

13 (III) A REPRESENTATIVE FROM EACH OF THE JUNIOR COLLEGES, AS
14 DEFINED IN SECTION 23-71-102 (1);

15 (IV) A PERSON WHO REPRESENTS THE AREA VOCATIONAL
16 SCHOOLS;

17 (V) A PERSON WHO REPRESENTS THE PRIVATE INSTITUTIONS OF
18 HIGHER EDUCATION, AS DEFINED IN SECTION 23-18-102 (9); AND

19 (VI) SIX PERSONS WHO REPRESENT THE BUSINESS COMMUNITY IN
20 THE STATE, ONE OF WHOM HAS EXPERIENCE WORKING WITH
21 APPRENTICESHIP PROGRAMS.

22 (2) THE APPOINTING AUTHORITIES SHALL APPOINT THE MEMBERS
23 OF THE COMMITTEE AS SOON AS POSSIBLE AFTER THE EFFECTIVE DATE OF
24 THIS ARTICLE, BUT NO LATER THAN JULY 1, 2011. IN APPOINTING THE
25 MEMBERS, THE APPOINTING AUTHORITIES SHALL CONSULT WITH THE EX
26 OFFICIO MEMBERS OF THE COMMITTEE.

27 **23-1.3-103. Committee - duties.** (1) THE COMMITTEE SHALL

1 CONSIDER AND MAKE RECOMMENDATIONS CONCERNING THE FUNDING OF
2 THE STATEWIDE SYSTEM OF HIGHER EDUCATION, INCLUDING THE
3 FOLLOWING ISSUES:

4 (a) THE SOURCES OF FUNDING FOR THE STATEWIDE SYSTEM OF
5 HIGHER EDUCATION AND STRATEGIES AND MECHANISMS FOR INCREASING
6 THE OVERALL LEVEL OF FUNDING;

7 (b) THE FUNDING MECHANISMS FOR THE STATEWIDE SYSTEM OF
8 HIGHER EDUCATION, INCLUDING THE COLORADO OPPORTUNITY FUND,
9 FEE-FOR-SERVICE CONTRACTS, STATE AND FEDERAL STUDENT FINANCIAL
10 AID, TUITION AND FEES, FOUNDATIONAL SUPPORT, AND RESEARCH GRANT
11 SUPPORT, AND RECOMMENDATIONS FOR CHANGES TO THE MECHANISMS TO
12 BETTER COORDINATE FUNDING AND CREATE GREATER EFFICIENCIES IN
13 FUNDING; AND

14 (c) FINANCIAL INCENTIVES OR OTHER STRATEGIES TO INCREASE
15 THE RATES OF STUDENT RETENTION AND COMPLETION AND TO REDUCE THE
16 TIME TO CERTIFICATE AND DEGREE COMPLETION.

17 (2) IN CONSIDERING THE ISSUES AND MAKING RECOMMENDATIONS,
18 THE COMMITTEE SHALL TAKE INTO ACCOUNT:

19 (a) EXISTING STATUTES CONCERNING PERFORMANCE-BASED
20 FUNDING, MAINTAINING THE INTENT OF REWARDING DEMONSTRATED
21 INSTITUTIONAL PERFORMANCE THAT CONTRIBUTES TO ACHIEVEMENT OF
22 THE GOALS FOR THE STATEWIDE SYSTEM OF HIGHER EDUCATION;

23 (b) THE REVENUE AND SPENDING LIMITATIONS IMPOSED BY
24 SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION AND MAINTAINING
25 THE ENTERPRISE STATUS OF THE STATE INSTITUTIONS OF HIGHER
26 EDUCATION; AND

27 (c) THE RECOMMENDATIONS FOUND IN THE FINAL REPORT OF THE

1 HIGHER EDUCATION STRATEGIC PLANNING STEERING COMMITTEE
2 APPOINTED BY THE GOVERNOR TO ADDRESS STATE HIGHER EDUCATION
3 NEEDS, GOVERNANCE, AND FUNDING AND IMPROVING STUDENT ACCESS
4 AND SUCCESS.

5 (3) THE COMMITTEE SHALL HOLD ITS FIRST MEETING NO LATER
6 THAN JULY 15, 2011. THE COMMITTEE SHALL MEET AT LEAST ONCE IN
7 EACH OF THE FOUR QUADRANTS OF THE STATE, IN ADDITION TO MEETING
8 IN THE DENVER-BOULDER METROPOLITAN AREA.

9 (4) THE LEGISLATIVE COUNCIL STAFF, THE OFFICE OF LEGISLATIVE
10 LEGAL SERVICES, AND THE DEPARTMENT OF HIGHER EDUCATION SHALL,
11 WITHIN AVAILABLE APPROPRIATIONS, PROVIDE STAFF SUPPORT TO THE
12 COMMITTEE.

13 (5) THE COMMITTEE SHALL REPORT ITS FINDINGS AND
14 RECOMMENDATIONS FOR LEGISLATION TO THE LEGISLATIVE COUNCIL IN
15 ACCORDANCE WITH JOINT RULE 24 (b) (1) (D) OF THE SENATE AND THE
16 HOUSE OF REPRESENTATIVES AND SHALL BE SUBJECT TO THE LIMITATIONS
17 ON BILLS SPECIFIED IN SAID JOINT RULE.

18 **SECTION 2. Safety clause.** The general assembly hereby finds,
19 determines, and declares that this act is necessary for the immediate
20 preservation of the public peace, health, and safety.