

Second Regular Session
Sixty-ninth General Assembly
STATE OF COLORADO

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

LLS NO. 14-0943.01 Brita Darling x2241

HOUSE BILL 14-1319

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A BILL FOR AN ACT

101 **CONCERNING THE CREATION OF AN OUTCOMES-BASED FUNDING**
102 **MODEL FOR HIGHER EDUCATION, AND, IN CONNECTION**
103 **THEREWITH, MAKING AND REDUCING APPROPRIATIONS.**

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 repeals the current provision in statute for fee-for-service contracts and recreates it with significant changes in a new section of the statutes. The bill creates a method for determining the amounts of fee-for-service contracts entered into by the department of higher

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.

education (department) and the governing boards of state institutions of higher education (institutions), excluding the local district junior colleges and area vocational schools. Each fee-for-service contract, at a minimum, must include the following components, as they apply to particular institutions:

- ! An institutional base amount (institutional base), which the general assembly sets annually in the long bill, that is the same for each governing board and that is allocated among the governing board's campuses;
- ! Low-enrollment funding for small and medium-sized, 4-year institutions and small community colleges, determined as a percentage of the institutional base;
- ! Research funding for specific institutions, determined as a percentage of the institutional base;
- ! Graduate services funding, which the general assembly sets annually in the long bill, that the institution receives for graduate students enrolled in the institution;
- ! Retention funding, which the general assembly sets annually in the long bill, that the institution receives for each junior and senior resident student enrolled in the institution; and
- ! Degree funding, specified as a percentage of the amount for a baccalaureate degree, for each degree the institution awards each year.

The amounts of the fee-for-service contracts for specialized educational services for the governing boards of the health sciences center of the university of Colorado, the Colorado cooperative extension service, and the veterinary medicine program at Colorado state university are increased or decreased annually by the percentage that reflects the yearly increase or decrease in total state appropriations for institutions.

The annual amount of direct grants to local district junior colleges and area vocational schools is determined in the same manner as fee-for-service contracts for specialized educational services.

The bill increases the amount of the college opportunity fund stipend for eligible undergraduate students enrolled in institutions who are eligible for the federal Pell grant. The general assembly, by bill, annually sets the amount of the percentage increase in the stipend amount, which must be at least 10%.

The bill requires adjustments to the total governing board appropriation for each governing board as necessary to ensure that the change in a governing board's total governing board appropriation over the preceding year appropriation is not 5% more or 5% less than the percentage that reflects the percentage change in total state appropriations for institutions.

Additionally, the bill requires the general assembly's annual

appropriation to the college opportunity fund on behalf of eligible undergraduate students to be at least 57.5% of the sum of the total state appropriation for the budget year, specialized education fee-for-service contracts, and direct grants to local district junior colleges and area vocational schools; except that the percentage may be less as a result of adjustments for actual enrollment.

The Colorado commission on higher education (commission) shall adopt policies or procedures as necessary for uniform application of the fee-for-service contracts statutes, and the department shall comply with the statutory requirements when making annual budget requests. Finally the commission may convene a meeting of interested parties to review the new statutory provisions and make recommendations to the general assembly in its 2014 departmental presentation.

The bill allows the department to transfer a limited amount of moneys between an institution's fee-for-service contracts appropriation and the institution's college opportunity fund spending authority for increases and decreases based upon actual enrollment.

The bill makes conforming amendments to reflect the new section relating to fee-for-service contracts.

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

2 **SECTION 1.** In Colorado Revised Statutes, **add** part 3 to article
3 18 of title 23 as follows:

4 **PART 3**

5 **HIGHER EDUCATION FUNDING**

6 **23-18-301. Legislative declaration.** (1) THE GENERAL ASSEMBLY
7 FINDS AND DECLARES THAT:

8 (a) HIGHER EDUCATION IS AN ECONOMIC ENGINE FOR COLORADO,
9 HELPS TO CREATE AN INFORMED CITIZENRY, AND CONTRIBUTES
10 SIGNIFICANTLY TO COLORADO'S SUPERIOR QUALITY OF LIFE;

11 (b) IN ORDER TO ENSURE THE STATE'S ONGOING SOCIAL,
12 CULTURAL, AND ECONOMIC VIBRANCY, FUNDING FOR HIGHER EDUCATION
13 SHOULD BE BASED ON THE NEEDS OF THE STATE, THE PEOPLE OF
14 COLORADO, AND THE STUDENTS;

1 (c) COLORADO CURRENTLY RANKS THIRD IN THE UNITED STATES
2 IN THE PERCENTAGE OF ITS CITIZENS BETWEEN THE AGES OF TWENTY-FIVE
3 AND SIXTY-FOUR WITH A COLLEGE DEGREE, LARGELY DUE TO THE
4 MIGRATION OF COLLEGE-EDUCATED ADULTS FROM OTHER STATES AND
5 COUNTRIES;

6 (d) IN ORDER TO ENSURE THAT COLORADO STUDENTS HAVE
7 ACCESS TO A POSTSECONDARY EDUCATION THAT WILL ALLOW THEM TO
8 COMPETE FOR JOBS IN COLORADO'S INCREASINGLY HIGH-TECH ECONOMY
9 AND THE GLOBAL ECONOMY, IT IS ESSENTIAL THAT COLORADO MAKE WISE
10 USE OF ITS INVESTMENT IN HIGHER EDUCATION TO INCREASE THE NUMBER
11 OF COLORADANS WHO HAVE EARNED A HIGH-QUALITY POSTSECONDARY
12 CREDENTIAL;

13 (e) IT IS IMPORTANT THAT THE STATE OF COLORADO ENSURES
14 THAT ALL COLORADANS HAVE ACCESS TO AFFORDABLE HIGHER
15 EDUCATION, REGARDLESS OF INCOME, RACE, GENDER, AGE, OR ACADEMIC
16 PREPARATION, AND THAT HIGHER EDUCATION SERVICES ARE AVAILABLE
17 IN ALL GEOGRAPHIC AREAS OF THE STATE, INCLUDING RURAL AREAS,
18 HISTORICALLY UNDERSERVED AREAS, AND AREAS WITH LOW
19 EDUCATIONAL ATTAINMENT;

20 (f) IN PARTICULAR, IT IS CRITICAL THAT THE RATE OF
21 POSTSECONDARY PARTICIPATION BY LOW-INCOME COLOARDANS AND
22 MINORITIES, WHO ARE CURRENTLY UNDER-REPRESENTED, BE INCREASED
23 AT COLORADO'S INSTITUTIONS OF HIGHER EDUCATION; AND

24 (g) COLORADO'S LIMITED STATE RESOURCES MUST BE USED IN A
25 WAY THAT PROVIDES INCENTIVES FOR STATE INSTITUTIONS OF HIGHER
26 EDUCATION TO ACHIEVE THE POLICY GOALS ADOPTED BY THE GENERAL
27 ASSEMBLY AND THE COLORADO COMMISSION ON HIGHER EDUCATION.

1 (2) THE GENERAL ASSEMBLY FURTHER FINDS AND DECLARES THAT:

2 (a) IN ORDER FOR THE GENERAL ASSEMBLY TO PERFORM ITS DUTY
3 TO EXERCISE OVERSIGHT AND ENSURE THAT TAX DOLLARS ARE BEING
4 USED TO ACHIEVE STATED POLICY GOALS, HIGHER EDUCATION MUST BE
5 FUNDED IN A MANNER THAT IS TRANSPARENT AND UNDERSTANDABLE;

6 (b) THESE GOALS CAN BE ACCOMPLISHED BY THE GENERAL
7 ASSEMBLY ESTABLISHING PERFORMANCE METRICS THAT ARE CONSISTENT
8 AND PREDICTABLE BUT THAT MAY BE AMENDED, AS APPROPRIATE, TO
9 REFLECT THE CHANGING GOALS OF THE STATE AND OF INSTITUTIONS;

10 (c) WITH A CONSISTENT AND PREDICTABLE FUNDING MODEL FOR
11 HIGHER EDUCATION, STATE INSTITUTIONS OF HIGHER EDUCATION WILL BE
12 ABLE TO ENGAGE IN LONG-TERM FINANCIAL PLANNING THAT WILL BENEFIT
13 STUDENTS THROUGH MORE PREDICTABLE TUITION AND FEES; AND

14 (d) IF HIGHER EDUCATION IS FUNDED IN A MANNER THAT IS
15 TRANSPARENT AND UNDERSTANDABLE, COLORADANS, AND ESPECIALLY
16 COLORADO TAXPAYERS, WILL MORE EASILY UNDERSTAND THE BENEFIT
17 REALIZED FROM COLORADO'S INVESTMENT IN ITS HIGHER EDUCATION
18 SYSTEM.

19 **23-18-302. Definitions.** AS USED IN THIS PART 3, UNLESS THE
20 CONTEXT OTHERWISE REQUIRES:

21 (1) "AREA VOCATIONAL SCHOOL" HAS THE SAME MEANING AS
22 PROVIDED IN SECTION 23-60-103 (1).

23 (2) "COMMISSION" MEANS THE COLORADO COMMISSION ON
24 HIGHER EDUCATION ESTABLISHED PURSUANT TO SECTION 23-1-102.

25 (3) "COMMUNITY COLLEGE" MEANS A COMMUNITY AND
26 TECHNICAL COLLEGE DESCRIBED IN SECTION 23-60-205 THAT IS GOVERNED
27 BY THE STATE BOARD FOR COMMUNITY COLLEGES AND OCCUPATIONAL

1 EDUCATION.

2 (4) "DEPARTMENT" MEANS THE COLORADO DEPARTMENT OF
3 HIGHER EDUCATION ESTABLISHED PURSUANT TO SECTION 24-1-114, C.R.S.

4 (5) "LOCAL DISTRICT JUNIOR COLLEGE" MEANS A JUNIOR COLLEGE
5 OPERATING PURSUANT TO ARTICLE 71 OF THIS TITLE.

6 (6) "MASTER PLAN" MEANS THE MASTER PLAN CREATED PURSUANT
7 TO SECTION 23-1-108.

8 (7) "PELL-ELIGIBLE STUDENT" MEANS AN UNDERGRADUATE
9 STUDENT WHO QUALIFIES FOR THE FEDERAL PELL GRANT OR FOR A GRANT
10 THROUGH A SUCCESSOR PROGRAM.

11 (8) "STATE INSTITUTION OF HIGHER EDUCATION" OR "INSTITUTION"
12 HAS THE SAME MEANING AS DEFINED IN SECTION 23-18-102 (10).

13 (9) "TOTAL GOVERNING BOARD APPROPRIATION" MEANS, FOR A
14 FISCAL YEAR, THE SUM OF THE AMOUNT APPROPRIATED TO THE
15 GOVERNING BOARD OF A STATE INSTITUTION OF HIGHER EDUCATION FOR
16 A FEE-FOR-SERVICE CONTRACT NEGOTIATED PURSUANT TO SECTION
17 23-18-303 AND THE AMOUNT STATED AS REAPPROPRIATED SPENDING
18 AUTHORITY IN THE GENERAL APPROPRIATIONS ACT FOR THE GOVERNING
19 BOARD TO EXPEND STIPENDS RECEIVED PURSUANT TO SECTION 23-18-202
20 ON BEHALF OF ELIGIBLE UNDERGRADUATE STUDENTS.

21 (10) "TOTAL STATE APPROPRIATION" MEANS, FOR A STATE FISCAL
22 YEAR, THE SUM OF THE TOTAL AMOUNT APPROPRIATED TO THE GOVERNING
23 BOARDS OF THE STATE INSTITUTIONS OF HIGHER EDUCATION FOR
24 FEE-FOR-SERVICE CONTRACTS DETERMINED PURSUANT TO SECTION
25 23-18-303, AND THE AMOUNT OF THE APPROPRIATION TO THE COLLEGE
26 OPPORTUNITY FUND ESTABLISHED IN SECTION 23-18-201.

27 **23-18-303. Fee-for-service contracts - authorization. (1) FOR**

1 THE 2015-16 STATE FISCAL YEAR AND EACH FISCAL YEAR THEREAFTER,
2 THE GOVERNING BOARD OF A STATE INSTITUTION OF HIGHER EDUCATION
3 MAY ANNUALLY NEGOTIATE A FEE-FOR-SERVICE CONTRACT WITH THE
4 DEPARTMENT FOR THE DELIVERY OF HIGHER EDUCATION SERVICES BY THE
5 INSTITUTION FOR THE BENEFIT OF THE STATE AND ITS RESIDENTS.
6 SPECIALTY EDUCATION PROGRAMS, AREA VOCATIONAL SCHOOLS, AND
7 LOCAL DISTRICT JUNIOR COLLEGES ARE FUNDED PURSUANT TO THE
8 PROVISIONS OF SECTION 23-18-304.

9 (2) EACH FEE-FOR-SERVICE CONTRACT MUST INCLUDE
10 INSTITUTIONAL ROLE AND MISSION FUNDING AS DESCRIBED IN SUBSECTION
11 (3) OF THIS SECTION AND INSTITUTIONAL PERFORMANCE FUNDING AS
12 DESCRIBED IN SUBSECTION (4) OF THIS SECTION. IT IS THE INTENT OF THE
13 GENERAL ASSEMBLY THAT THE COMPONENTS OF THE FEE-FOR-SERVICE
14 CONTRACTS DEVELOPED BY THE COMMISSION BE FAIRLY BALANCED
15 BETWEEN ROLE AND MISSION FACTORS AND PERFORMANCE METRICS.

16 (3) **Role and mission funding.** THE INSTITUTIONAL ROLE AND
17 MISSION COMPONENT OF THE FEE-FOR-SERVICE CONTRACT IS BASED ON
18 THE FOLLOWING FACTORS, AS DETERMINED BY THE COMMISSION
19 PURSUANT TO SECTION 23-18-306:

20 (a) **Institutional mission.** ROLE AND MISSION FUNDING MUST
21 INCLUDE AN AMOUNT FOR EACH GOVERNING BOARD TO OFFSET THE COSTS
22 INCURRED IN PROVIDING UNDERGRADUATE PROGRAMS AT EACH
23 INSTITUTION. IN ESTABLISHING THE COMPONENTS OF THIS FACTOR, THE
24 COMMISSION SHALL INCLUDE, AT A MINIMUM:

- 25 (I) THE SELECTIVITY OF THE INSTITUTION;
- 26 (II) THE NUMBER OF CAMPUSES OF THE INSTITUTION;
- 27 (III) THE RURAL OR URBAN LOCATION OF THE INSTITUTION;

1 (IV) LOW STUDENT ENROLLMENT AT AN INSTITUTION OR A CAMPUS
2 OF AN INSTITUTION THAT AFFECTS THE ABILITY OF THE INSTITUTION OR
3 CAMPUS TO MEET OPERATIONAL COSTS; AND

4 (V) WHETHER THE INSTITUTION CONDUCTS RESEARCH.

5 (b) **Support services for Pell-eligible, first-generation, and**
6 **underserved undergraduate students.** ROLE AND MISSION FUNDING
7 MUST INCLUDE AN AMOUNT FOR EACH GOVERNING BOARD TO OFFSET THE
8 COSTS INCURRED IN PROVIDING ADDITIONAL SUPPORT SERVICES TO
9 PELL-ELIGIBLE UNDERGRADUATE STUDENTS ENROLLED IN THE
10 INSTITUTION. THE AMOUNT OF FUNDING FOR SUPPORT SERVICES FOR EACH
11 PELL-ELIGIBLE UNDERGRADUATE STUDENT ENROLLED IN THE INSTITUTION
12 MUST BE AT LEAST EQUAL TO TEN PERCENT OF THE AMOUNT OF THE
13 COLLEGE OPPORTUNITY FUND STIPEND, AS SET BY THE GENERAL
14 ASSEMBLY PURSUANT TO SECTION 23-18-202, FOR THE APPLICABLE STATE
15 FISCAL YEAR. THE COMMISSION MAY INCLUDE AN AMOUNT FOR EACH
16 GOVERNING BOARD TO OFFSET THE COSTS INCURRED IN PROVIDING
17 SUPPORT SERVICES TO FIRST-GENERATION UNDERGRADUATE STUDENTS
18 ENROLLED IN THE INSTITUTION AFTER THE COMMISSION ESTABLISHES A
19 CONSISTENT DEFINITION AND DATA COLLECTION METHOD FOR IDENTIFYING
20 THIS STUDENT POPULATION. THE COMMISSION MAY ALSO INCLUDE AN
21 AMOUNT FOR EACH GOVERNING BOARD TO OFFSET THE COSTS INCURRED
22 IN PROVIDING SUPPORT SERVICES TO UNDERGRADUATE STUDENTS WHO
23 ARE IDENTIFIED AS UNDERSERVED AFTER THE COMMISSION ESTABLISHES
24 A CONSISTENT DEFINITION AND DATA COLLECTION METHOD FOR
25 IDENTIFYING UNDERSERVED STUDENTS.

26 (c) **Graduate programs.** ROLE AND MISSION FUNDING MUST
27 INCLUDE AN AMOUNT FOR EACH ELIGIBLE GOVERNING BOARD TO OFFSET

1 THE COSTS INCURRED IN PROVIDING GRADUATE PROGRAMS AT
2 INSTITUTIONS THAT ARE AUTHORIZED TO PROVIDE GRADUATE PROGRAMS.
3 IN ESTABLISHING THE COMPONENTS OF THIS FACTOR, THE COMMISSION
4 SHALL INCLUDE, AT A MINIMUM, AN AMOUNT FOR EACH GRADUATE
5 STUDENT ENROLLED IN AN INSTITUTION, WHICH AMOUNT MAY BE BASED
6 ON THE SUBJECT AND LEVEL OF THE GRADUATE PROGRAM.

7 (d) **Remediation.** ROLE AND MISSION FUNDING MUST INCLUDE AN
8 AMOUNT FOR EACH ELIGIBLE GOVERNING BOARD TO OFFSET THE COSTS
9 INCURRED IN PROVIDING EFFECTIVE BASIC SKILLS COURSES FOR STUDENTS
10 ENROLLED AT AN INSTITUTION THAT IS AUTHORIZED TO PROVIDE BASIC
11 SKILLS COURSES, WHICH STUDENTS ARE NOT PREPARED FOR
12 COLLEGE-LEVEL COURSE WORK AT THE TIME OF ENROLLMENT. IN
13 ESTABLISHING THE COMPONENTS OF THIS FACTOR, THE COMMISSION SHALL
14 DETERMINE HOW TO MEASURE SUCCESSFUL REMEDIATION, WHICH
15 MEASURE MAY INCLUDE A STUDENT'S SUCCESSFUL COMPLETION OF A
16 FIRST-LEVEL COLLEGE COURSE IN THE AREA OF REMEDIATION, INCLUDING
17 ENGLISH OR MATH. THE COMMISSION MAY ALSO INCLUDE COMPONENTS
18 RELATING TO THE SPEED OF A STUDENT'S REMEDIATION AND THE COST OF
19 REMEDIATION TO THE STUDENT.

20 (e) **Additional role and mission factors.** THE COMMISSION MAY
21 ESTABLISH UP TO TWO ADDITIONAL FACTORS RELATING TO ROLE AND
22 MISSION FUNDING. THE FACTORS MUST BE DISTINGUISHABLE FROM EACH
23 OTHER AND FROM THE FACTORS DESCRIBED IN PARAGRAPHS (a) TO (d) OF
24 THIS SUBSECTION (3). THE ADDITIONAL FACTORS THE COMMISSION MAY
25 CONSIDER INCLUDE, BUT NEED NOT BE LIMITED TO, INSTITUTION
26 AFFORDABILITY, COST STUDIES, TECHNOLOGY TRANSFER, AND PROVISION
27 OF CAREER AND TECHNICAL PROGRAMS.

1 (4) **Performance funding.** THE INSTITUTIONAL PERFORMANCE
2 FUNDING COMPONENT OF THE FEE-FOR-SERVICE CONTRACT IS BASED ON
3 THE FOLLOWING METRICS, AS DETERMINED BY THE COMMISSION PURSUANT
4 TO SECTION 23-18-306:

5 (a) **Completion.** PERFORMANCE FUNDING MUST INCLUDE AN
6 AMOUNT FOR EACH GOVERNING BOARD FOR EACH CERTIFICATE OR DEGREE
7 AWARDED BY THE INSTITUTION, AND, FOR THE STATE BOARD FOR
8 COMMUNITY COLLEGES AND OCCUPATIONAL EDUCATION, AN AMOUNT FOR
9 EACH COMMUNITY COLLEGE STUDENT WHO TRANSFERS FROM A
10 COMMUNITY COLLEGE AFTER COMPLETION OF THIRTY CREDIT HOURS. THE
11 COMMISSION SHALL ESTABLISH THE AMOUNT AWARDED FOR EACH TYPE OF
12 CREDENTIAL, BASED ON THE SUBJECT AND LEVEL OF THE CREDENTIAL, AND
13 THE AMOUNT AWARDED FOR TRANSFERS FROM A COMMUNITY COLLEGE.
14 THE COMMISSION SHALL INCREASE THE VALUE OF EACH CREDENTIAL
15 EARNED BY OR TRANSFER COMPLETED BY A PELL-ELIGIBLE
16 UNDERGRADUATE STUDENT AND SHALL INCREASE THE VALUE OF EACH
17 CREDENTIAL EARNED OR TRANSFER COMPLETED BY A FIRST-GENERATION
18 UNDERGRADUATE STUDENT IF THE COMMISSION IMPLEMENTS INCREASED
19 FUNDING FOR THIS STUDENT POPULATION PURSUANT TO PARAGRAPH (b)
20 OF SUBSECTION (3) OF THIS SECTION.

21 (b) **Retention.** PERFORMANCE FUNDING MUST INCLUDE AN
22 AMOUNT FOR EACH GOVERNING BOARD BASED ON THE NUMBER OF
23 STUDENTS ENROLLED IN AN INSTITUTION WHO MAKE ACADEMIC PROGRESS
24 BY COMPLETING THIRTY CREDIT HOURS, SIXTY CREDIT HOURS, OR NINETY
25 CREDIT HOURS. IN ESTABLISHING THE COMPONENTS OF THIS METRIC, THE
26 COMMISSION MAY INCLUDE A COMPONENT RELATED TO AN INCREASE IN
27 THE INSTITUTION'S RETENTION RATE. AN INSTITUTION THAT RECEIVES A

1 COMPLETION INCENTIVE FOR A STUDENT WHO TRANSFERS AFTER
2 COMPLETING THIRTY CREDIT HOURS IS NOT ELIGIBLE FOR A RETENTION
3 BONUS FOR THAT STUDENT IN THE SAME YEAR.

4 (c) **Additional performance metrics.** THE COMMISSION MAY
5 ESTABLISH UP TO FOUR ADDITIONAL PERFORMANCE FUNDING METRICS
6 THAT REFLECT AND SUPPORT THE POLICY GOALS ADOPTED BY THE
7 COMMISSION IN THE MASTER PLAN. THE METRICS MUST BE
8 DISTINGUISHABLE FROM EACH OTHER AND FROM THE METRICS DESCRIBED
9 IN PARAGRAPHS (a) AND (b) OF THIS SUBSECTION (4). THE ADDITIONAL
10 PERFORMANCE METRICS THE COMMISSION MAY CONSIDER INCLUDE, BUT
11 NEED NOT BE LIMITED TO, WORKFORCE PLACEMENT, CLOSING THE
12 ACHIEVEMENT GAP, AND LIMITING STUDENT LOAN DEBT.

13 (5) THE BOARD OF TRUSTEES OF THE COLORADO SCHOOL OF MINES
14 MAY STUDY AND RECOMMEND TO THE GENERAL ASSEMBLY A DIFFERENT
15 FUNDING STRUCTURE, INCLUDING BUT NOT LIMITED TO A SPECIAL PURPOSE
16 AUTHORITY AS DEFINED IN SECTION 24-77-102 (15), C.R.S., THAT
17 STRENGTHENS THE INSTITUTION AND ITS SPECIALIZED EDUCATIONAL
18 PROGRAMS WHILE ENSURING ACADEMIC QUALITY AND CONTINUED
19 OPPORTUNITIES FOR RESIDENT STUDENTS WHO MEET THE ADMISSIONS
20 CRITERIA OF THE INSTITUTION.

21 (6) NOTWITHSTANDING ANY PROVISION OF THIS SECTION TO THE
22 CONTRARY, EACH FEE-FOR-SERVICE CONTRACT NEGOTIATED PURSUANT TO
23 THIS SECTION IS SUBJECT TO THE PROVISIONS OF SECTION 23-18-305.

24 (7) IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT A STATE
25 INSTITUTION OF HIGHER EDUCATION THAT ENTERS INTO A
26 FEE-FOR-SERVICE CONTRACT THAT INCLUDES BASIC SKILLS COURSES
27 SHALL NOT CHARGE A STUDENT MORE PER CREDIT HOUR FOR A BASIC

1 SKILLS COURSE THAN THE STUDENT WOULD PAY PER CREDIT HOUR FOR A
2 GENERAL EDUCATION COURSE.

3 **23-18-304. Funding for specialty education programs - area**
4 **vocational schools - local district junior colleges.** (1) (a) (I) FOR THE
5 2015-16 STATE FISCAL YEAR AND EACH FISCAL YEAR THEREAFTER, THE
6 BOARD OF REGENTS OF THE UNIVERSITY OF COLORADO MAY ANNUALLY
7 NEGOTIATE A FEE-FOR-SERVICE CONTRACT WITH THE DEPARTMENT FOR
8 THE DELIVERY OF SPECIALTY EDUCATION SERVICES PROVIDED BY THE
9 HEALTH SCIENCES CENTER CAMPUS OF THE UNIVERSITY OF COLORADO,
10 ESTABLISHED PURSUANT TO SECTION 23-20-101. FOR THE 2015-16 STATE
11 FISCAL YEAR AND EACH FISCAL YEAR THEREAFTER, THE BOARD OF
12 GOVERNORS OF THE COLORADO STATE UNIVERSITY SYSTEM MAY
13 ANNUALLY NEGOTIATE FEE-FOR-SERVICE CONTRACTS WITH THE
14 DEPARTMENT FOR THE DELIVERY OF SPECIALTY EDUCATION SERVICES
15 PURSUANT TO PART 3 AND PARTS 5 TO 8 OF ARTICLE 31 OF THIS TITLE, AND
16 THE VETERINARY MEDICINE PROGRAM AT COLORADO STATE UNIVERSITY,
17 ESTABLISHED PURSUANT TO SECTION 23-31-101. THE AMOUNT OF EACH
18 FEE-FOR-SERVICE CONTRACT NEGOTIATED PURSUANT TO THIS SECTION
19 MUST BE EQUAL TO THE AMOUNT OF THE FEE-FOR-SERVICE CONTRACT FOR
20 THE CAMPUS, SERVICE, OR PROGRAM FOR THE PRECEDING STATE FISCAL
21 YEAR, INCREASED OR DECREASED BY A PERCENTAGE EQUAL TO THE
22 PERCENTAGE CHANGE IN THE TOTAL STATE APPROPRIATION FOR THE
23 APPLICABLE STATE FISCAL YEAR FROM THE TOTAL STATE APPROPRIATION
24 FOR THE PRECEDING STATE FISCAL YEAR.

25 (II) NOTWITHSTANDING THE PROVISIONS OF SUBPARAGRAPH (I) OF
26 THIS PARAGRAPH (a) TO THE CONTRARY, THE FEE-FOR-SERVICE CONTRACT
27 FOR THE HEALTH SCIENCES CENTER CAMPUS OF THE UNIVERSITY OF

1 COLORADO AND THE VETERINARY MEDICINE PROGRAM AT COLORADO
2 STATE UNIVERSITY MAY INCREASE BY A PERCENTAGE THAT IS GREATER
3 THAN THE PERCENTAGE CHANGE IN THE TOTAL STATE APPROPRIATION FOR
4 THE APPLICABLE FISCAL YEAR FROM THE TOTAL STATE APPROPRIATION
5 FOR THE PRECEDING STATE FISCAL YEAR AND MAY DECREASE BY A
6 PERCENTAGE THAT IS LESS THAN THE PERCENTAGE CHANGE IN THE TOTAL
7 STATE APPROPRIATION FOR THE APPLICABLE FISCAL YEAR FROM THE
8 TOTAL STATE APPROPRIATION FOR THE PRECEDING STATE FISCAL YEAR.

9 (b) IF, UPON THE RECOMMENDATION OF THE COMMISSION AND THE
10 DEPARTMENT, THE JOINT BUDGET COMMITTEE DETERMINES THAT AN
11 EDUCATIONAL PROGRAM THAT IS NOT INCLUDED IN PARAGRAPH (a) OF
12 THIS SUBSECTION (1) SHOULD RECEIVE FUNDING AS A SPECIALTY
13 EDUCATION PROGRAM PURSUANT TO THIS SECTION, THE JOINT BUDGET
14 COMMITTEE MAY INTRODUCE LEGISLATION THAT DESIGNATES THE
15 PROGRAM AS A SPECIALTY EDUCATION PROGRAM FUNDED PURSUANT TO
16 THIS SECTION.

17 (2) FOR THE 2015-16 STATE FISCAL YEAR AND EACH FISCAL YEAR
18 THEREAFTER, THE DIRECT GRANTS MADE TO ELIGIBLE AREA VOCATIONAL
19 SCHOOLS PURSUANT TO PART 3 OF ARTICLE 71 OF THIS TITLE FOR A STATE
20 FISCAL YEAR MUST BE EQUAL TO THE AMOUNT OF THE GRANTS MADE IN
21 THE PRECEDING STATE FISCAL YEAR, INCREASED OR DECREASED BY A
22 PERCENTAGE EQUAL TO THE PERCENTAGE CHANGE IN THE TOTAL STATE
23 APPROPRIATION FOR THE APPLICABLE STATE FISCAL YEAR FROM THE
24 TOTAL STATE APPROPRIATION FOR THE PRECEDING STATE FISCAL YEAR.

25 (3) (a) EXCEPT AS PROVIDED IN PARAGRAPH (b) OF THIS
26 SUBSECTION (3), FOR THE 2015-16 STATE FISCAL YEAR AND EACH FISCAL
27 YEAR THEREAFTER, THE DIRECT GRANTS MADE TO ELIGIBLE JUNIOR

1 COLLEGE DISTRICTS PURSUANT TO PART 3 OF ARTICLE 71 OF THIS TITLE
2 FOR A STATE FISCAL YEAR MUST BE EQUAL TO THE AMOUNT OF THE
3 GRANTS MADE IN THE PRECEDING STATE FISCAL YEAR, INCREASED OR
4 DECREASED BY A PERCENTAGE EQUAL TO THE PERCENTAGE CHANGE IN
5 THE TOTAL STATE APPROPRIATION FOR THE APPLICABLE STATE FISCAL
6 YEAR FROM THE TOTAL STATE APPROPRIATION FOR THE PRECEDING STATE
7 FISCAL YEAR.

8 (b) COLORADO MOUNTAIN COLLEGE MAY ELECT TO PARTICIPATE
9 IN THE FUNDING PROVISIONS SPECIFIED IN SECTION 23-18-303 IN LIEU OF
10 THE FUNDING PROVISIONS SPECIFIED IN PARAGRAPH (a) OF THIS
11 SUBSECTION (3). COLORADO MOUNTAIN COLLEGE MUST NOTIFY THE
12 COMMISSION BY AUGUST 1 OF ITS INTENTION TO PARTICIPATE IN THE
13 FUNDING PROVISIONS SPECIFIED IN SECTION 23-18-303 FOR THE
14 FOLLOWING STATE FISCAL YEAR. IF COLORADO MOUNTAIN COLLEGE
15 ELECTS TO PARTICIPATE IN THE FUNDING PROVISIONS OF SECTION
16 23-18-303, THE DEPARTMENT SHALL APPLY THE FUNDING PROVISIONS OF
17 SECTION 23-18-303 TO COLORADO MOUNTAIN COLLEGE IN THE SAME
18 MANNER AS THEY ARE APPLIED TO ALL OTHER INSTITUTIONS, AND
19 COLORADO MOUNTAIN COLLEGE MUST RECEIVE LEVELS OF FUNDING THAT
20 ARE COMPARABLE TO THE FUNDING RECEIVED BY THE GOVERNING BOARDS
21 IN ACCORDANCE WITH THE PROVISIONS OF SECTION 23-18-303.

22 (4) THE GOVERNING BOARDS OF INSTITUTIONS WITH SPECIALTY
23 EDUCATION PROGRAMS, THE AREA VOCATIONAL SCHOOLS, THE LOCAL
24 DISTRICT JUNIOR COLLEGES, AND THE COMMISSION ARE ENCOURAGED TO
25 DEVELOP FUNDING MODELS THAT INCLUDE SPECIFIC PERFORMANCE
26 METRICS TO ENSURE THAT THESE PROGRAMS AND INSTITUTIONS ARE
27 MEETING THE POLICY GOALS ESTABLISHED BY THE GENERAL ASSEMBLY

1 AND ADOPTED BY THE COMMISSION IN ITS MASTER PLAN.

2 **23-18-305. Total appropriations - adjustments - fiscal**
3 **emergency - resolution - financial hardship.** (1) (a) FOR THE 2015-16
4 STATE FISCAL YEAR THROUGH THE 2019-20 STATE FISCAL YEAR, THE
5 TOTAL GOVERNING BOARD APPROPRIATION FOR A GOVERNING BOARD FOR
6 A FISCAL YEAR SHALL NOT CHANGE FROM THE PRECEDING FISCAL YEAR BY
7 A PERCENTAGE THAT IS MORE THAN FIVE PERCENTAGE POINTS LESS THAN
8 OR FIVE PERCENTAGE POINTS GREATER THAN THE PERCENTAGE CHANGE IN
9 THE TOTAL STATE APPROPRIATION FROM THE PRECEDING FISCAL YEAR.
10 NOTWITHSTANDING ANY PROVISION OF THIS PART 3 TO THE CONTRARY,
11 THE GENERAL ASSEMBLY IN THE ANNUAL GENERAL APPROPRIATIONS BILL
12 SHALL ADJUST THE TOTAL GOVERNING BOARD APPROPRIATION FOR EACH
13 GOVERNING BOARD AS NECESSARY TO COMPLY WITH THIS SECTION.

14 (b) BEGINNING WITH THE 2020-21 STATE FISCAL YEAR, IN ANY
15 FISCAL YEAR THAT THE DEPARTMENT DETERMINES THAT IT IS
16 APPROPRIATE TO ADJUST TOTAL GOVERNING BOARD APPROPRIATIONS AS
17 PROVIDED IN PARAGRAPH (a) OF THIS SUBSECTION (1), THE DEPARTMENT
18 MAY RECOMMEND THAT THE JOINT BUDGET COMMITTEE ADJUST THE
19 TOTAL GOVERNING BOARD APPROPRIATIONS FOR EACH GOVERNING BOARD
20 AS NECESSARY TO COMPLY WITH THE PROVISIONS OF PARAGRAPH (a) OF
21 THIS SUBSECTION (1).

22 (2) (a) FOR THE 2015-16 STATE FISCAL YEAR AND EACH FISCAL
23 YEAR THEREAFTER, THE TOTAL ANNUAL APPROPRIATION IN TRUST FOR
24 ELIGIBLE UNDERGRADUATE STUDENTS TO THE COLLEGE OPPORTUNITY
25 FUND PURSUANT TO SECTION 23-18-202 MUST BE AN AMOUNT EQUAL TO
26 AT LEAST FIFTY-TWO AND FIVE-TENTHS PERCENT OF THE TOTAL STATE
27 APPROPRIATION FOR THE APPLICABLE STATE FISCAL YEAR; EXCEPT THAT

1 THE PERCENTAGE MAY BE LESS THAN FIFTY-TWO AND FIVE-TENTHS
2 PERCENT AS A RESULT OF ADJUSTMENTS FOR ACTUAL ENROLLMENT MADE
3 PURSUANT TO SECTION 23-18-202 (1) (c).

4 (b) IF, DUE TO AN ECONOMIC DOWNTURN, THE DEPARTMENT AND
5 THE COMMISSION DETERMINE THAT COMPLYING WITH THE COLLEGE
6 OPPORTUNITY FUND STIPEND ALLOCATION REQUIREMENT SET FORTH IN
7 PARAGRAPH (a) OF THIS SUBSECTION (2) RESULTS IN AN UNDUE BURDEN TO
8 THE INSTITUTIONS, THE DEPARTMENT MAY SUBMIT AN ADDITIONAL
9 BUDGET REQUEST THAT DOES NOT COMPLY WITH THE COLLEGE
10 OPPORTUNITY FUND STIPEND ALLOCATION REQUIREMENT. TO APPROVE
11 THE DEPARTMENT'S BUDGET REQUEST WAIVING THE COLLEGE
12 OPPORTUNITY FUND STIPEND ALLOCATION REQUIREMENT, THE GENERAL
13 ASSEMBLY MUST ADOPT A JOINT RESOLUTION BY SIMPLE MAJORITY IN
14 BOTH CHAMBERS THAT DECLARES A FISCAL EMERGENCY.

15 (3) IF AFTER APPLYING THE COLLEGE OPPORTUNITY FUND STIPEND
16 ALLOCATION REQUIREMENT SET FORTH IN PARAGRAPH (a) OF SUBSECTION
17 (2) OF THIS SECTION AND THE FEE-FOR-SERVICE PROVISIONS OF SECTION
18 23-18-303 THE DEPARTMENT DETERMINES THAT THIS HAS RESULTED IN
19 FINANCIAL INSTABILITY FOR AND THE POTENTIAL CLOSURE OF AN
20 INSTITUTION, THE DEPARTMENT MAY RECOMMEND TO THE JOINT BUDGET
21 COMMITTEE THAT THE INSTITUTION BE TREATED AS A SPECIALTY
22 EDUCATION PROGRAM PURSUANT TO THE PROVISIONS OF SECTION
23 23-18-304. THE JOINT BUDGET COMMITTEE MAY INTRODUCE LEGISLATION
24 DESIGNATING THE INSTITUTION AS A SPECIALTY EDUCATION PROGRAM
25 SUBJECT TO THE PROVISIONS OF SECTION 23-18-304 AND EXEMPTING THE
26 INSTITUTION FROM ANY PROVISIONS OF THIS PART 3 FOR A SPECIFIED
27 PERIOD OF TIME. AN INSTITUTION THAT RECEIVES AN EXEMPTION

1 PURSUANT TO THIS SUBSECTION (3) SHALL, IN CONSULTATION WITH THE
2 DEPARTMENT AND THE COMMISSION, SUBMIT A PLAN FOR ACHIEVING
3 FINANCIAL STABILITY TO THE JOINT BUDGET COMMITTEE AND TO THE
4 EDUCATION COMMITTEES OF THE HOUSE OF REPRESENTATIVES AND OF THE
5 SENATE, OR ANY SUCCESSOR COMMITTEES.

6 (4) NOTWITHSTANDING ANY PROVISION OF THIS PART 3 TO THE
7 CONTRARY, IN A FISCAL YEAR IN WHICH THE PROVISIONS OF SECTION
8 23-1-108 (1.9) APPLY, PERFORMANCE-BASED FUNDING THAT A GOVERNING
9 BOARD RECEIVES IS IN ADDITION TO ANY AMOUNTS THE GOVERNING
10 BOARD RECEIVES PURSUANT TO A FEE-FOR-SERVICE CONTRACT PURSUANT
11 TO SECTIONS 23-18-303 AND 23-1-304, A DIRECT GRANT THE GOVERNING
12 BOARD RECEIVES PURSUANT TO SECTION 23-18-304 AND PART 3 OF
13 ARTICLE 71 OF THIS TITLE, OR AMOUNTS THAT THE GOVERNING BOARD IS
14 AUTHORIZED TO EXPEND PURSUANT TO THE COLLEGE OPPORTUNITY FUND
15 PROGRAM CREATED IN PART 2 OF THIS ARTICLE.

16 **23-18-306. Duties and powers of the commission - department**
17 **- role and mission factors and performance metrics - consultation**
18 **with interested parties - facilitator.** (1) AS USED IN THIS SECTION,
19 "INTERESTED PARTIES" INCLUDES BUT IS NOT LIMITED TO THE GOVERNING
20 BOARDS OF INSTITUTIONS, HIGHER EDUCATION ADVOCATES, STUDENTS,
21 FACULTY, NONPROFIT EDUCATION ORGANIZATIONS, AND MEMBERS OF THE
22 BUSINESS COMMUNITY.

23 (2) (a) PURSUANT TO SECTION 23-18-303, NO LATER THAN
24 JANUARY 1, 2015, THE COMMISSION SHALL DETERMINE, IN CONSULTATION
25 WITH INTERESTED PARTIES, THE COMPONENTS OF THE FEE-FOR-SERVICE
26 CONTRACTS ENTERED INTO PURSUANT TO SECTION 23-18-303. THE
27 COMMISSION SHALL ESTABLISH THE COMPONENTS OF EACH FACTOR

1 RELATING TO ROLE AND MISSION FUNDING, INCLUDING THE WEIGHT
2 ASSOCIATED WITH EACH FACTOR, AND THE COMPONENTS OF EACH
3 PERFORMANCE METRIC RELATING TO PERFORMANCE FUNDING, INCLUDING
4 THE COMPONENTS OF EACH METRIC AND THE WEIGHT ASSOCIATED WITH
5 EACH METRIC.

6 (b) THE DEPARTMENT SHALL DETERMINE, APPLY, AND IMPLEMENT
7 EACH ROLE AND MISSION FACTOR AND PERFORMANCE FUNDING METRIC
8 PURSUANT TO THE FOLLOWING GUIDELINES:

9 (I) EACH ROLE AND MISSION FACTOR AND PERFORMANCE METRIC
10 MUST BE TIED TO THE POLICY GOALS ESTABLISHED BY THE GENERAL
11 ASSEMBLY AND BY THE COMMISSION IN ITS MASTER PLAN;

12 (II) EACH ROLE AND MISSION FACTOR AND PERFORMANCE METRIC
13 MUST BE TRANSPARENT AND MEASURABLE;

14 (III) EACH ROLE AND MISSION FACTOR MAY BE APPLIED
15 DIFFERENTLY TO INSTITUTIONS, BUT TO THE EXTENT POSSIBLE, SIMILAR
16 INSTITUTIONS MUST BE TREATED SIMILARLY; AND

17 (IV) EACH PERFORMANCE METRIC MUST BE APPLIED UNIFORMLY
18 TO ALL GOVERNING BOARDS. FOR EXAMPLE, THE PERFORMANCE FUNDING
19 METRIC FOR RETENTION MUST BE MEASURED AND APPLIED TO A
20 COMMUNITY COLLEGE IN THE SAME MANNER THAT IT IS MEASURED AND
21 APPLIED TO A FOUR-YEAR INSTITUTION.

22 (3) (a) FROM MAY 2014 THROUGH DECEMBER 2014, THE
23 COMMISSION SHALL CONVENE A SERIES OF MEETINGS WITH INTERESTED
24 PARTIES TO DEVELOP THE COMPONENTS OF FEE-FOR-SERVICE CONTRACTS
25 PURSUANT TO SUBSECTION (2) OF THIS SECTION.

26 (b) THE COMMISSION SHALL RETAIN A FACILITATOR TO ATTEND
27 MEETINGS AND FACILITATE THE WORK OF THE COMMISSION. THE

1 DEPARTMENT SHALL PROVIDE ANY ADDITIONAL NECESSARY STAFF
2 SUPPORT TO THE COMMISSION.

3 (c) THE COMMISSION MAY ORGANIZE ITS WORK IN THE MANNER IT
4 CHOOSES, INCLUDING CONVENING COMMITTEES OF INTERESTED PERSONS
5 TO FOCUS ON SPECIFIC ROLE AND MISSION FACTORS OR PERFORMANCE
6 METRICS.

7 (d) AFTER DETERMINING THE INITIAL ROLE AND MISSION FACTORS
8 AND PERFORMANCE METRICS AND THE WEIGHTS ASSIGNED TO EACH
9 FACTOR OR METRIC, THE COMMISSION MAY CONTINUE TO MEET WITH
10 INTERESTED PARTIES TO REVIEW THE IMPLEMENTATION OF THE
11 FEE-FOR-SERVICE MODEL AND TO MAKE RECOMMENDATIONS TO THE JOINT
12 BUDGET COMMITTEE AND TO THE EDUCATION COMMITTEES OF THE HOUSE
13 OF REPRESENTATIVES AND THE SENATE CONCERNING CHANGES TO THE
14 FEE-FOR-SERVICE MODEL OR OTHER PROVISIONS OF THIS PART 3.

15 (4) BECAUSE THE IMPLEMENTATION OF THIS PART 3 MAY HAVE
16 UNANTICIPATED RESULTS, ON JULY 1, 2016, AND EACH JULY 1
17 THEREAFTER THROUGH JULY 1, 2020, THE COMMISSION SHALL SUBMIT A
18 WRITTEN REPORT TO THE JOINT BUDGET COMMITTEE AND TO THE
19 EDUCATION COMMITTEES OF THE HOUSE OF REPRESENTATIVES AND THE
20 SENATE CONCERNING THE STATUS OF THE IMPLEMENTATION OF THIS PART
21 3, AND MAY RECOMMEND CHANGES TO THE PROVISIONS OF THIS PART 3.

22 (5) THE GENERAL ASSEMBLY FINDS AND DECLARES THAT IT IS
23 VITAL THAT COLORADO'S HIGHER EDUCATION SYSTEM IS ACCESSIBLE AND
24 AFFORDABLE FOR ALL COLORADANS. THE INSTITUTIONS' TUITION POLICIES
25 ARE AN IMPORTANT COMPONENT OF ENSURING BOTH THE AFFORDABILITY
26 AND SUSTAINABILITY OF COLORADO'S HIGHER EDUCATION SYSTEM. WITH
27 THE EXPIRATION OF TUITION POLICIES IMPLEMENTED PURSUANT TO RECENT

1 LEGISLATION, IT IS IMPERATIVE THAT THE COMMISSION AND THE
2 GOVERNING BOARDS OF STATE INSTITUTIONS OF HIGHER EDUCATION, AS
3 WELL AS OTHER INTERESTED PARTIES, WORK COOPERATIVELY TO
4 STRUCTURE AN ONGOING TUITION POLICY FOR THE STATE. THEREFORE, BY
5 NOVEMBER 1, 2015, THE COMMISSION SHALL SUBMIT TO THE JOINT
6 BUDGET COMMITTEE AND TO THE EDUCATION COMMITTEES OF THE HOUSE
7 OF REPRESENTATIVES AND THE SENATE TUITION POLICIES THAT ENSURE
8 BOTH ACCESSIBLE AND AFFORDABLE HIGHER EDUCATION FOR COLORADO'S
9 RESIDENTS. THE TUITION POLICIES MUST ALSO REFLECT THE LEVEL OF
10 STATE FUNDING FOR INSTITUTIONS AND THE NEED OF EACH INSTITUTION
11 TO ENHANCE THE QUALITY OF EDUCATIONAL PROGRAMS AND OFFERINGS
12 AND STRENGTHEN THE FINANCIAL POSITION OF THE INSTITUTION. THE
13 COMMISSION SHALL DEVELOP THE TUITION POLICY RECOMMENDATIONS IN
14 CONSULTATION WITH THE GOVERNING BOARDS OF THE INSTITUTIONS AND
15 OTHER INTERESTED PARTIES USING AN INCLUSIVE AND TRANSPARENT
16 PROCESS.

17 (6) THE COMMISSION SHALL ADOPT ANY POLICIES OR PROCEDURES
18 NECESSARY FOR THE UNIFORM APPLICATION AND IMPLEMENTATION OF
19 THIS PART 3.

20 (7) THE DEPARTMENT SHALL COMPLY WITH THE REQUIREMENTS OF
21 THIS PART 3 IN SUBMITTING ITS BUDGET REQUEST PURSUANT TO THE
22 BUDGET PROCEDURES SPECIFIED IN PART 3 OF ARTICLE 37 OF TITLE 24,
23 C.R.S.

24 **23-18-307. Budget provisions - reporting.** (1) AS PART OF THE
25 DEPARTMENT'S 2014 PRESENTATION TO THE LEGISLATIVE COMMITTEES OF
26 REFERENCE PURSUANT TO SECTION 2-7-203, C.R.S., THE DEPARTMENT
27 SHALL REPORT ITS PROGRESS IN IMPLEMENTING THIS PART 3 AND SHALL

1 PROVIDE A DRAFT OF THE FACTORS AND METRICS, WITH THEIR WEIGHTS,
2 THAT THE COMMISSION IS CONSIDERING PURSUANT TO SECTION 23-18-306.

3 (2) (a) BY NOVEMBER 1, 2014, THE DEPARTMENT AND THE
4 COMMISSION SHALL SUBMIT A BUDGET REQUEST THAT INCLUDES THE
5 TOTAL AMOUNT OF FUNDING REQUESTED FOR HIGHER EDUCATION FOR THE
6 2015-16 STATE FISCAL YEAR AND A DRAFT OF THE FACTORS AND METRICS,
7 WITH THEIR WEIGHTS, THAT THE COMMISSION IS CONSIDERING PURSUANT
8 TO SECTION 23-18-306 BUT THAT DOES NOT INCLUDE THE SPECIFIC
9 ALLOCATION TO EACH GOVERNING BOARD.

10 (b) BY JANUARY 15, 2015, THE DEPARTMENT AND THE
11 COMMISSION SHALL SUBMIT AN UPDATED BUDGET REQUEST THAT
12 INCLUDES:

13 (I) A DETAILED DESCRIPTION OF THE FEE-FOR-SERVICE CONTRACT
14 ROLE AND MISSION FUNDING FACTORS AND THE PERFORMANCE FUNDING
15 METRICS AND THE VALUES ASSIGNED TO EACH FACTOR AND METRIC; AND

16 (II) THE FEE-FOR-SERVICE CONTRACT PROVISIONS OF SECTION
17 23-18-303 AS APPLIED TO EACH INSTITUTION, INCLUDING DETAILS OF THE
18 FUNDING REQUESTED FOR EACH INSTITUTION FOR EACH ROLE AND MISSION
19 FUNDING FACTOR AND EACH PERFORMANCE FUNDING METRIC.

20 (3) FOR THE 2016-17 STATE FISCAL YEAR AND EACH FISCAL YEAR
21 THEREAFTER, THE DEPARTMENT AND THE COMMISSION SHALL SUBMIT A
22 BUDGET REQUEST BY NOVEMBER 1 OF EACH YEAR THAT INCLUDES:

23 (a) A DETAILED DESCRIPTION OF THE FEE-FOR-SERVICE CONTRACT
24 ROLE AND MISSION FUNDING FACTORS AND THE PERFORMANCE FUNDING
25 METRICS AND THE VALUES ASSIGNED TO EACH FACTOR AND METRIC; AND

26 (b) THE FEE-FOR-SERVICE CONTRACT PROVISIONS OF SECTION
27 23-18-303 AS APPLIED TO EACH INSTITUTION, INCLUDING DETAILS OF THE

1 FUNDING REQUESTED FOR EACH INSTITUTION FOR EACH ROLE AND MISSION
2 FUNDING FACTOR AND EACH PERFORMANCE FUNDING METRIC.

3 (4) IN DEVELOPING THE ANNUAL GENERAL APPROPRIATIONS BILL,
4 THE JOINT BUDGET COMMITTEE SHALL FOLLOW THE PROVISIONS OF
5 SECTION 23-18-303 IN CALCULATING THE AMOUNTS OF FEE-FOR-SERVICE
6 CONTRACTS, INCLUDING THE ROLE AND MISSION FUNDING FACTORS AND
7 PERFORMANCE FUNDING METRICS AS DETERMINED BY THE COMMISSION,
8 BUT MAY APPLY DIFFERENT WEIGHTS TO THE FACTORS AND METRICS THAN
9 THE VALUES DETERMINED BY THE COMMISSION. IF THE JOINT BUDGET
10 COMMITTEE ALTERS THE VALUE OF A FACTOR OR METRIC, THE NEW VALUE
11 SHALL BE APPLIED TO THE DETERMINATION OF ALL FEE-FOR-SERVICE
12 CONTRACTS PURSUANT TO SECTION 23-18-303.

13 **SECTION 2.** In Colorado Revised Statutes, **amend** 23-1-109.7
14 as follows:

15 **23-1-109.7. Duties and powers of the commission with regard**
16 **to the provision of educational services.** (1) ~~Beginning July 1, 2005, the~~
17 ~~commission shall be responsible for ensuring the provision of specific~~
18 ~~postsecondary educational services in the state. These educational~~
19 ~~services shall include but need not be limited to:~~

20 (a) ~~Educational services in rural areas or communities in which~~
21 ~~the cost of delivering such services is not sustained by the amount~~
22 ~~received in student tuition;~~

23 (b) to (d) ~~Repealed.~~

24 (e) ~~Educational services required of the commission to meet its~~
25 ~~obligations under reciprocal agreements pursuant to section 23-1-112;~~

26 (f) ~~Graduate school services;~~

27 (g) ~~Educational services that may increase economic development~~

1 ~~opportunities in the state, including courses to assist students in career~~
2 ~~development and retraining; and~~

3 ~~(h) Specialized educational services and professional degrees,~~
4 ~~including but not limited to the areas of dentistry, medicine, veterinary~~
5 ~~medicine, nursing, law, forestry, and engineering and programs that~~
6 ~~address identified state or national priorities.~~

7 (2) BEGINNING JULY 1, 2005, THE COMMISSION IS RESPONSIBLE
8 FOR ENSURING THE PROVISION OF POSTSECONDARY EDUCATIONAL
9 SERVICES PURSUANT TO PART 3 OF ARTICLE 18 OF THIS TITLE. The
10 department of higher education on behalf of the commission shall
11 annually enter into fee-for-service contracts with one or more governing
12 boards of institutions of higher education PURSUANT TO SECTION
13 23-18-303 to provide the higher education services specified in
14 ~~subsection (1) of this~~ section 23-18-301. The department of higher
15 education may contract with a governing board of an institution of higher
16 education only to the extent that the contract remains consistent with any
17 contract entered into pursuant to section 23-5-129 with the governing
18 board.

19 (3) The commission shall make annual funding recommendations
20 to the general assembly and the governor regarding the funding necessary
21 for the department of higher education to contract on the commission's
22 behalf for the provision of higher education services in the state,
23 including but not limited to the services specified in ~~subsection (1) of this~~
24 ~~section~~ SECTIONS 23-18-301 AND 23-18-303. The general assembly shall
25 annually appropriate to the commission an amount of general fund
26 moneys to carry out the purposes of this section.

27 **SECTION 3.** In Colorado Revised Statutes, **repeal** 23-5-130.

1 **SECTION 4.** In Colorado Revised Statutes, 23-18-202, **amend**
2 (1) (c), (2) (c), and (9) as follows:

3 **23-18-202. College opportunity fund - appropriations -**
4 **payment of stipends - reimbursement - repeal.** (1) (c) If there are
5 moneys remaining in the college opportunity fund OR IF THERE ARE
6 INSUFFICIENT MONEYS IN THE COLLEGE OPPORTUNITY FUND after the final
7 census date of the last academic term of each state fiscal year, as
8 determined in accordance with this section, THE DEPARTMENT MAY
9 TRANSFER up to ~~three~~ TEN percent of the amount annually authorized as
10 cash spending authority in the general appropriations act for a governing
11 board to expend stipends received on behalf of eligible undergraduate
12 students may be expended by the same governing board for postsecondary
13 educational services purchased by the department if authorized through
14 a fee-for-service contract entered into pursuant to sections 23-1-109.7 and
15 23-5-130. The department may transfer an equivalent amount in general
16 fund spending authority from stipends to fee-for-service contracts to
17 fulfill its fee-for-service contract obligations to a governing board
18 pursuant to this paragraph (c) and section 23-5-130 ANNUAL TOTAL
19 GOVERNING BOARD APPROPRIATION FOR THE INSTITUTION BETWEEN THE
20 CASH SPENDING AUTHORITY FOR THE GOVERNING BOARD TO EXPEND
21 STIPENDS RECEIVED ON BEHALF OF ELIGIBLE UNDERGRADUATE STUDENTS
22 AND A FEE-FOR-SERVICE CONTRACT FOR THE GOVERNING BOARD ENTERED
23 INTO PURSUANT TO SECTIONS 23-1-109.7 AND 23-18-303.

24 (2) (c) The commission shall forward to the general assembly and
25 governor, by November 1 of each year, a list of institutions eligible to
26 receive stipends on behalf of eligible undergraduate students under the
27 program. The commission shall annually request that the general

1 assembly adjust the amount appropriated to the Colorado student loan
2 program for the stipends, to WHICH AMOUNT MAY reflect at least inflation
3 and enrollment growth in the state institutions of higher education.

4 (9) It is the intent of the general assembly that the college
5 opportunity fund and fee-for-service contracts authorized pursuant to
6 section ~~23-5-130~~ 23-18-303 be fully funded for enrollment growth.

7 **SECTION 5.** In Colorado Revised Statutes, 23-71-301, **amend**
8 (1) (a) as follows:

9 **23-71-301. Direct grants to junior college districts -**
10 **occupational courses.** (1) (a) Any junior college district operating or
11 organized and operating as such during the entire school year in which a
12 grant is made shall be entitled to a direct grant, from funds appropriated
13 for this purpose, in an amount specified annually by the general assembly
14 PURSUANT TO SECTION 23-18-304. Procedures for the certification by
15 junior college districts to the state board for community colleges and
16 occupational education, referred to in this part 3 as the "board", of the
17 numbers of students and the quarter or semester hours for which students
18 are registered shall be prescribed by regulation of the board. No moneys
19 shall be distributed under this section for any students other than those
20 enrolled in postsecondary courses for credit in degree and certificate
21 programs.

22 **SECTION 6.** In Colorado Revised Statutes, 23-71-303, **amend**
23 (1) as follows:

24 **23-71-303. Distributions to area vocational schools.** (1) Any
25 area vocational school operating or organized and operating as such
26 during the entire school year may be reimbursed by the state in an amount
27 specified annually by the general assembly PURSUANT TO SECTION

1 23-18-304. In no instance shall such reimbursement exceed the total
2 direct cost of the vocational program per FTE.

3 **SECTION 7.** In Colorado Revised Statutes, 23-1-104, **amend** (1)
4 (a) (I), (1) (b) (I), (1) (c) introductory portion, and (2) as follows:

5 **23-1-104. Financing the system of postsecondary education -**
6 **report - repeal.** (1) (a) (I) For fiscal years 2011-12 through 2015-16, the
7 general assembly shall make annual appropriations of moneys that are
8 estimated to be received by an institution, under the direction and control
9 of the governing board, as stipends, as defined in section 23-18-102, and
10 through fee-for-service contracts, as authorized in sections 23-1-109.7
11 and ~~23-5-130~~ 23-18-303, as a single line item to each governing board for
12 the operation of its campuses; except that, if the general assembly
13 appropriates moneys, as described in paragraph (c) of this subsection (1),
14 to the Colorado state forest service, the agricultural experiment station
15 department of the Colorado state university, or the Colorado state
16 university cooperative extension service, such moneys shall not be
17 included within the single line item appropriations described in this
18 paragraph (a).

19 (b) (I) For the 2010-11 fiscal year and for fiscal years beginning
20 on or after July 1, 2016, the general assembly shall make annual
21 appropriations of general fund moneys, of cash funds received from
22 tuition income, and of moneys that are estimated to be received by an
23 institution, under the direction and control of the governing board, as
24 stipends, as defined in section 23-18-102, and through fee-for-service
25 contracts, as authorized in sections 23-1-109.7 and ~~23-5-130~~ 23-18-303,
26 as a single line item to each governing board for the operation of its
27 campuses; except that, if the general assembly appropriates moneys, as

1 described in paragraph (c) of this subsection (1), to the Colorado state
2 forest service, the agricultural experiment station department of the
3 Colorado state university, or the Colorado state university cooperative
4 extension service, such moneys shall not be included within the single
5 line item appropriations described in this paragraph (b).

6 (c) In addition to any appropriations made pursuant to paragraph
7 (a) or (b) of this subsection (1), the general assembly may make annual
8 appropriations of general fund moneys and of moneys received pursuant
9 to a fee-for-service contract negotiated by the board of governors of the
10 Colorado state university system and the department of higher education,
11 as described in section ~~23-5-130~~ 23-18-303, as separate line items to:

12 (2) Notwithstanding any provision of this section to the contrary,
13 beginning in the 2011-12 fiscal year and for each fiscal year thereafter
14 through the 2020-21 fiscal year, the general assembly shall appropriate
15 moneys to the governing board of the Colorado school of mines in
16 accordance with section 23-41-104.7, through fee-for-service contracts,
17 as authorized in sections 23-1-109.7 and ~~23-5-130~~ 23-18-303, and as
18 stipends, as defined in section 23-18-102, as a single line item to said
19 governing board.

20 **SECTION 8.** In Colorado Revised Statutes, 23-1-108, **amend**
21 (1.9) (a) (II) as follows:

22 **23-1-108. Duties and powers of the commission with regard to**
23 **systemwide planning.** (1.9) (a) (II) The commission's
24 performance-based funding plan shall specifically address the manner in
25 which the appropriation of performance-based funding will affect the
26 college opportunity fund stipends authorized in section 23-18-202 and the
27 fee-for-service contracts authorized in sections 23-1-109.7 and ~~23-5-130~~

1 23-18-303. In fulfilling the requirements of subparagraph (I) of this
2 paragraph (a), the commission shall analyze the effect of modifying the
3 college opportunity fund stipend amounts for purposes of improving
4 student retention, facilitating the success of transfers between institutions
5 and between degree programs, and providing incentives for the timely
6 completion of academic degrees. The modifications may include, but
7 need not be limited to, differentiating stipend amounts based on each
8 student's status as a freshman, sophomore, junior, or senior. In addition,
9 the commission shall analyze the effect of limiting the amount of funding
10 for credit hours earned in excess of one hundred forty credits for a
11 baccalaureate degree, or seventy hours for an associate degree.

12 **SECTION 9.** In Colorado Revised Statutes, **amend** 23-18-101 as
13 follows:

14 **23-18-101. Short title.** PARTS 1 AND 2 OF this article shall be
15 known and may be cited as the "College Opportunity Fund Act".

16 **SECTION 10.** In Colorado Revised Statutes, 23-18-102, **amend**
17 the introductory portion as follows:

18 **23-18-102. Definitions.** As used in PARTS 1 AND 2 OF this article,
19 unless the context otherwise requires:

20 **SECTION 11.** In Colorado Revised Statutes, 23-20-138, **amend**
21 (6) as follows:

22 **23-20-138. Health sciences center - definitions - accountable**
23 **student program - creation.** (6) The fee-for-service contract negotiated
24 between the board and the department of higher education pursuant to
25 section ~~23-5-130~~ 23-18-303 shall specify the amount of funding for
26 educational services provided to graduate students by the state of
27 Colorado. A graduate student receiving educational services paid for by

1 the state of Colorado is not eligible to be an accountable student.

2 **SECTION 12.** In Colorado Revised Statutes, 23-41-104.7,
3 **amend** (1) as follows:

4 **23-41-104.7. Funding.** (1) Beginning in the 2011-12 fiscal year,
5 Colorado school of mines shall use a portion of its fee-for-service funding
6 negotiated pursuant to section ~~23-5-130~~ 23-18-303 to provide merit-based
7 scholarships, need-based financial aid, and graduate student support to
8 assist students with in-state classification to attend the institution, and
9 shall increase said portion to ensure that, no later than the 2020-21 fiscal
10 year and for each fiscal year thereafter, all said funding shall be used for
11 said purposes, except as otherwise provided in paragraph (b) of
12 subsection (2) of this section.

13 **SECTION 13.** In Colorado Revised Statutes, 24-1-114, **amend**
14 (5) (b) as follows:

15 **24-1-114. Department of higher education - creation.**
16 (5) (b) With respect to the Colorado commission on higher education and
17 the universities, colleges, and boards specified in subsection (4) of this
18 section, the executive director shall have only those powers, duties, and
19 functions prescribed in article 1 of title 23, C.R.S.; except that the
20 executive director of the Colorado commission on higher education is
21 authorized to negotiate, implement, and monitor contracts, as described
22 in sections 23-5-129 and ~~23-5-130~~ 23-18-303, C.R.S., with universities,
23 colleges, and boards, in consultation with the Colorado commission on
24 higher education.

25 **SECTION 14.** In Colorado Revised Statutes, 24-36-120, **amend**
26 (4) (g) as follows:

27 **24-36-120. Authority to assess transaction fees.** (4) The state

1 treasurer shall not assess a fee for an eligible transaction involving any of
2 the following funds:

3 (g) The college opportunity fund created in ~~article 18 of title 23~~
4 SECTION 23-18-202, C.R.S.

5 **SECTION 15.** In Colorado Revised Statutes, 24-77-104.5,
6 **amend** (4) (a) (III) and (4) (a) (IV) as follows:

7 **24-77-104.5. General fund exempt account - appropriations to**
8 **critical needs fund - specification of uses for health care and**
9 **education - definitions.** (4) (a) Funding for the benefit of students
10 attending community colleges and other institutions of higher education,
11 as used in subparagraph (III) of paragraph (b) of subsection (1) of this
12 section, shall be limited to funding for:

13 (III) The college opportunity fund program created in PARTS 1
14 AND 2 OF article 18 of title 23, C.R.S.;

15 (IV) Fee-for-service contracts authorized pursuant to section
16 ~~23-5-130~~ 23-18-303, C.R.S.; and

17 **SECTION 16. Appropriation.** In addition to any other
18 appropriation, there is hereby appropriated, out of any moneys in the
19 general fund not otherwise appropriated, to the department of higher
20 education, for the fiscal year beginning July 1, 2013, the sum of \$172,551
21 and 0.2 FTE, or so much thereof as may be necessary, for allocation to the
22 Colorado commission for higher education for administration costs
23 related to the implementation of this act.

24 **SECTION 17. Appropriation - adjustments to the 2014 long**
25 **bill.** (1) For the implementation of this act, the general fund appropriation
26 made in the annual general appropriation act to the controlled
27 maintenance trust fund created in section 24-75-302.5 (2) (a) Colorado

1 Revised Statutes, for the fiscal year beginning July 1, 2014, is decreased
2 by \$772,133.

3 (2) In addition to any other appropriation, there is hereby
4 appropriated, out of any moneys in the general fund not otherwise
5 appropriated, to the department of higher education, for the fiscal year
6 beginning July 1, 2014, the sum of \$728,995 and 3.0 FTE, or so much
7 thereof as may be necessary, to be allocated for the implementation of this
8 act as follows:

9 (a) \$710,779 and 3.0 FTE for Colorado commission on higher
10 education administration; and

11 (b) \$18,216 for legal services.

12 (3) In addition to any other appropriation, there is hereby
13 appropriated to the department of law, for the fiscal year beginning July
14 1, 2014, the sum of \$18,216, or so much thereof as may be necessary, for
15 the provision of legal services for the department of higher education
16 related to the implementation of this act. Said sum is from reappropriated
17 funds received from the department of higher education out of the
18 appropriation made in paragraph (b) of subsection (2) of this section.

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