

HOUSE COMMITTEE OF REFERENCE REPORT

Chairman of Committee

April 9, 2014
Date

Committee on Education.

After consideration on the merits, the Committee recommends the following:

HB14-1319 be amended as follows, and as so amended, be referred to the Committee on Appropriations with favorable recommendation:

1 Amend printed bill, strike everything below the enacting clause and
2 substitute:

3 "SECTION 1. In Colorado Revised Statutes, **add** part 3 to article
4 18 of title 23 as follows:

5 PART 3
6 HIGHER EDUCATION FUNDING

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

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

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

16 (c) COLORADO CURRENTLY RANKS THIRD IN THE UNITED STATES
17 IN THE PERCENTAGE OF ITS CITIZENS BETWEEN THE AGES OF TWENTY-FIVE
18 AND SIXTY-FOUR WITH A COLLEGE DEGREE, LARGELY DUE TO THE
19 MIGRATION OF COLLEGE-EDUCATED ADULTS FROM OTHER STATES AND
20 COUNTRIES;

21 (d) IN ORDER TO ENSURE THAT COLORADO STUDENTS HAVE
22 ACCESS TO A POSTSECONDARY EDUCATION THAT WILL ALLOW THEM TO
23 COMPETE FOR JOBS IN COLORADO'S INCREASINGLY HIGH-TECH ECONOMY
24 AND THE GLOBAL ECONOMY, IT IS ESSENTIAL THAT COLORADO MAKE WISE

1 USE OF ITS INVESTMENT IN HIGHER EDUCATION TO INCREASE THE NUMBER
2 OF COLORADANS WHO HAVE EARNED A HIGH-QUALITY POSTSECONDARY
3 CREDENTIAL;

4 (e) IT IS IMPORTANT THAT THE STATE OF COLORADO ENSURES
5 THAT ALL COLORADANS HAVE ACCESS TO AFFORDABLE HIGHER
6 EDUCATION, REGARDLESS OF INCOME, RACE, GENDER, AGE, OR ACADEMIC
7 PREPARATION, AND THAT HIGHER EDUCATION SERVICES ARE AVAILABLE
8 IN ALL GEOGRAPHIC AREAS OF THE STATE, INCLUDING RURAL AREAS,
9 HISTORICALLY UNDERSERVED AREAS, AND AREAS WITH LOW
10 EDUCATIONAL ATTAINMENT;

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

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

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

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

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

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

32 (d) IF HIGHER EDUCATION IS FUNDED IN A MANNER THAT IS
33 TRANSPARENT AND UNDERSTANDABLE, COLORADANS, AND ESPECIALLY
34 COLORADO TAXPAYERS, WILL MORE EASILY UNDERSTAND THE BENEFIT
35 REALIZED FROM COLORADO'S INVESTMENT IN ITS HIGHER EDUCATION
36 SYSTEM.

37 **23-18-302. Definitions.** AS USED IN THIS PART 3, UNLESS THE
38 CONTEXT OTHERWISE REQUIRES:

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

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

1 (3) "COMMUNITY COLLEGE" MEANS A COMMUNITY AND
2 TECHNICAL COLLEGE DESCRIBED IN SECTION 23-60-205 THAT IS GOVERNED
3 BY THE STATE BOARD FOR COMMUNITY COLLEGES AND OCCUPATIONAL
4 EDUCATION.

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

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

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

11 (7) "PELL-ELIGIBLE STUDENT" MEANS AN UNDERGRADUATE
12 STUDENT WHO QUALIFIES FOR THE FEDERAL PELL GRANT OR FOR A GRANT
13 THROUGH A SUCCESSOR PROGRAM.

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

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

24 (10) "TOTAL STATE APPROPRIATION" MEANS, FOR A STATE FISCAL
25 YEAR, THE SUM OF THE TOTAL AMOUNT APPROPRIATED TO THE GOVERNING
26 BOARDS OF THE STATE INSTITUTIONS OF HIGHER EDUCATION FOR
27 FEE-FOR-SERVICE CONTRACTS DETERMINED PURSUANT TO SECTION
28 23-18-303, AND THE AMOUNT OF THE APPROPRIATION TO THE COLLEGE
29 OPPORTUNITY FUND ESTABLISHED IN SECTION 23-18-201.

30 **23-18-303. Fee-for-service contracts - authorization.** (1) FOR
31 THE 2015-16 STATE FISCAL YEAR AND EACH FISCAL YEAR THEREAFTER,
32 THE GOVERNING BOARD OF A STATE INSTITUTION OF HIGHER EDUCATION
33 MAY ANNUALLY NEGOTIATE A FEE-FOR-SERVICE CONTRACT WITH THE
34 DEPARTMENT FOR THE DELIVERY OF HIGHER EDUCATION SERVICES BY THE
35 INSTITUTION FOR THE BENEFIT OF THE STATE AND ITS RESIDENTS.
36 SPECIALTY EDUCATION PROGRAMS, AREA VOCATIONAL SCHOOLS, AND
37 LOCAL DISTRICT JUNIOR COLLEGES ARE FUNDED PURSUANT TO THE
38 PROVISIONS OF SECTION 23-18-304.

39 (2) EACH FEE-FOR-SERVICE CONTRACT MUST INCLUDE
40 INSTITUTIONAL ROLE AND MISSION FUNDING AS DESCRIBED IN SUBSECTION
41 (3) OF THIS SECTION AND INSTITUTIONAL PERFORMANCE FUNDING AS
42 DESCRIBED IN SUBSECTION (4) OF THIS SECTION. IT IS THE INTENT OF THE

1 GENERAL ASSEMBLY THAT THE COMPONENTS OF THE FEE-FOR-SERVICE
2 CONTRACTS DEVELOPED BY THE COMMISSION BE FAIRLY BALANCED
3 BETWEEN ROLE AND MISSION FACTORS AND PERFORMANCE METRICS.

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

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

- 13 (I) THE SELECTIVITY OF THE INSTITUTION;
- 14 (II) THE NUMBER OF CAMPUSES OF THE INSTITUTION;
- 15 (III) THE RURAL OR URBAN LOCATION OF THE INSTITUTION;
- 16 (IV) LOW STUDENT ENROLLMENT AT AN INSTITUTION OR A CAMPUS
17 OF AN INSTITUTION THAT AFFECTS THE ABILITY OF THE INSTITUTION OR
18 CAMPUS TO MEET OPERATIONAL COSTS; AND
- 19 (V) WHETHER THE INSTITUTION CONDUCTS RESEARCH.

20 (b) **Support services for Pell-eligible, first-generation, and**
21 **underserved undergraduate students.** ROLE AND MISSION FUNDING
22 MUST INCLUDE AN AMOUNT FOR EACH GOVERNING BOARD TO OFFSET THE
23 COSTS INCURRED IN PROVIDING ADDITIONAL SUPPORT SERVICES TO
24 PELL-ELIGIBLE UNDERGRADUATE STUDENTS ENROLLED IN THE
25 INSTITUTION. THE AMOUNT OF FUNDING FOR SUPPORT SERVICES FOR EACH
26 PELL-ELIGIBLE UNDERGRADUATE STUDENT ENROLLED IN THE INSTITUTION
27 MUST BE AT LEAST EQUAL TO TEN PERCENT OF THE AMOUNT OF THE
28 COLLEGE OPPORTUNITY FUND STIPEND, AS SET BY THE GENERAL
29 ASSEMBLY PURSUANT TO SECTION 23-18-202, FOR THE APPLICABLE STATE
30 FISCAL YEAR. THE COMMISSION MAY INCLUDE AN AMOUNT FOR EACH
31 GOVERNING BOARD TO OFFSET THE COSTS INCURRED IN PROVIDING
32 SUPPORT SERVICES TO FIRST-GENERATION UNDERGRADUATE STUDENTS
33 ENROLLED IN THE INSTITUTION AFTER THE COMMISSION ESTABLISHES A
34 CONSISTENT DEFINITION AND DATA COLLECTION METHOD FOR IDENTIFYING
35 THIS STUDENT POPULATION. THE COMMISSION MAY ALSO INCLUDE AN
36 AMOUNT FOR EACH GOVERNING BOARD TO OFFSET THE COSTS INCURRED
37 IN PROVIDING SUPPORT SERVICES TO UNDERGRADUATE STUDENTS WHO
38 ARE IDENTIFIED AS UNDERSERVED AFTER THE COMMISSION ESTABLISHES
39 A CONSISTENT DEFINITION AND DATA COLLECTION METHOD FOR
40 IDENTIFYING UNDERSERVED STUDENTS.

41 (c) **Graduate programs.** ROLE AND MISSION FUNDING MUST
42 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.

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

32 (a) **Completion.** PERFORMANCE FUNDING MUST INCLUDE AN
33 AMOUNT FOR EACH GOVERNING BOARD FOR EACH CERTIFICATE OR DEGREE
34 AWARDED BY THE INSTITUTION, AND, FOR THE STATE BOARD FOR
35 COMMUNITY COLLEGES AND OCCUPATIONAL EDUCATION, AN AMOUNT FOR
36 EACH COMMUNITY COLLEGE STUDENT WHO TRANSFERS FROM A
37 COMMUNITY COLLEGE AFTER COMPLETION OF THIRTY CREDIT HOURS. THE
38 COMMISSION SHALL ESTABLISH THE AMOUNT AWARDED FOR EACH TYPE OF
39 CREDENTIAL, BASED ON THE SUBJECT AND LEVEL OF THE CREDENTIAL, AND
40 THE AMOUNT AWARDED FOR TRANSFERS FROM A COMMUNITY COLLEGE.
41 THE COMMISSION SHALL INCREASE THE VALUE OF EACH CREDENTIAL
42 EARNED BY OR TRANSFER COMPLETED BY A PELL-ELIGIBLE

1 UNDERGRADUATE STUDENT AND SHALL INCREASE THE VALUE OF EACH
2 CREDENTIAL EARNED OR TRANSFER COMPLETED BY A FIRST-GENERATION
3 UNDERGRADUATE STUDENT IF THE COMMISSION IMPLEMENTS INCREASED
4 FUNDING FOR THIS STUDENT POPULATION PURSUANT TO PARAGRAPH (b)
5 OF SUBSECTION (3) OF THIS SECTION.

6 (b) **Retention.** PERFORMANCE FUNDING MUST INCLUDE AN
7 AMOUNT FOR EACH GOVERNING BOARD BASED ON THE NUMBER OF
8 STUDENTS ENROLLED IN AN INSTITUTION WHO MAKE ACADEMIC PROGRESS
9 BY COMPLETING THIRTY CREDIT HOURS, SIXTY CREDIT HOURS, OR NINETY
10 CREDIT HOURS. IN ESTABLISHING THE COMPONENTS OF THIS METRIC, THE
11 COMMISSION MAY INCLUDE A COMPONENT RELATED TO AN INCREASE IN
12 THE INSTITUTION'S RETENTION RATE. AN INSTITUTION THAT RECEIVES A
13 COMPLETION INCENTIVE FOR A STUDENT WHO TRANSFERS AFTER
14 COMPLETING THIRTY CREDIT HOURS IS NOT ELIGIBLE FOR A RETENTION
15 BONUS FOR THAT STUDENT IN THE SAME YEAR.

16 (c) **Additional performance metrics.** THE COMMISSION MAY
17 ESTABLISH UP TO FOUR ADDITIONAL PERFORMANCE FUNDING METRICS
18 THAT REFLECT AND SUPPORT THE POLICY GOALS ADOPTED BY THE
19 COMMISSION IN THE MASTER PLAN. THE METRICS MUST BE
20 DISTINGUISHABLE FROM EACH OTHER AND FROM THE METRICS DESCRIBED
21 IN PARAGRAPHS (a) AND (b) OF THIS SUBSECTION (4). THE ADDITIONAL
22 PERFORMANCE METRICS THE COMMISSION MAY CONSIDER INCLUDE, BUT
23 NEED NOT BE LIMITED TO, WORKFORCE PLACEMENT, CLOSING THE
24 ACHIEVEMENT GAP, AND LIMITING STUDENT LOAN DEBT.

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

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

36 (7) IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT A STATE
37 INSTITUTION OF HIGHER EDUCATION THAT ENTERS INTO A
38 FEE-FOR-SERVICE CONTRACT THAT INCLUDES BASIC SKILLS COURSES
39 SHALL NOT CHARGE A STUDENT MORE PER CREDIT HOUR FOR A BASIC
40 SKILLS COURSE THAN THE STUDENT WOULD PAY PER CREDIT HOUR FOR A
41 GENERAL EDUCATION COURSE.

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

23 (II) NOTWITHSTANDING THE PROVISIONS OF SUBPARAGRAPH (I) OF
24 THIS PARAGRAPH (a) TO THE CONTRARY, THE FEE-FOR-SERVICE CONTRACT
25 FOR THE HEALTH SCIENCES CENTER CAMPUS OF THE UNIVERSITY OF
26 COLORADO AND THE VETERINARY MEDICINE PROGRAM AT COLORADO
27 STATE UNIVERSITY MAY INCREASE BY A PERCENTAGE THAT IS GREATER
28 THAN THE PERCENTAGE CHANGE IN THE TOTAL STATE APPROPRIATION FOR
29 THE APPLICABLE FISCAL YEAR FROM THE TOTAL STATE APPROPRIATION
30 FOR THE PRECEDING STATE FISCAL YEAR AND MAY DECREASE BY A
31 PERCENTAGE THAT IS LESS THAN THE PERCENTAGE CHANGE IN THE TOTAL
32 STATE APPROPRIATION FOR THE APPLICABLE FISCAL YEAR FROM THE
33 TOTAL STATE APPROPRIATION FOR THE PRECEDING STATE FISCAL YEAR.

34 (b) IF, UPON THE RECOMMENDATION OF THE COMMISSION AND THE
35 DEPARTMENT, THE JOINT BUDGET COMMITTEE DETERMINES THAT AN
36 EDUCATIONAL PROGRAM THAT IS NOT INCLUDED IN PARAGRAPH (a) OF
37 THIS SUBSECTION (1) SHOULD RECEIVE FUNDING AS A SPECIALTY
38 EDUCATION PROGRAM PURSUANT TO THIS SECTION, THE JOINT BUDGET
39 COMMITTEE MAY INTRODUCE LEGISLATION THAT DESIGNATES THE
40 PROGRAM AS A SPECIALTY EDUCATION PROGRAM FUNDED PURSUANT TO
41 THIS SECTION.

1 (2) FOR THE 2015-16 STATE FISCAL YEAR AND EACH FISCAL YEAR
2 THEREAFTER, THE DIRECT GRANTS MADE TO ELIGIBLE AREA VOCATIONAL
3 SCHOOLS PURSUANT TO PART 3 OF ARTICLE 71 OF THIS TITLE FOR A STATE
4 FISCAL YEAR MUST BE EQUAL TO THE AMOUNT OF THE GRANTS MADE IN
5 THE PRECEDING STATE FISCAL YEAR, INCREASED OR DECREASED BY A
6 PERCENTAGE EQUAL TO THE PERCENTAGE CHANGE IN THE TOTAL STATE
7 APPROPRIATION FOR THE APPLICABLE STATE FISCAL YEAR FROM THE
8 TOTAL STATE APPROPRIATION FOR THE PRECEDING STATE FISCAL YEAR.

9 (3) (a) EXCEPT AS PROVIDED IN PARAGRAPH (b) OF THIS
10 SUBSECTION (3), FOR THE 2015-16 STATE FISCAL YEAR AND EACH FISCAL
11 YEAR THEREAFTER, THE DIRECT GRANTS MADE TO ELIGIBLE JUNIOR
12 COLLEGE DISTRICTS PURSUANT TO PART 3 OF ARTICLE 71 OF THIS TITLE
13 FOR A STATE FISCAL YEAR MUST BE EQUAL TO THE AMOUNT OF THE
14 GRANTS MADE IN THE PRECEDING STATE FISCAL YEAR, INCREASED OR
15 DECREASED BY A PERCENTAGE EQUAL TO THE PERCENTAGE CHANGE IN
16 THE TOTAL STATE APPROPRIATION FOR THE APPLICABLE STATE FISCAL
17 YEAR FROM THE TOTAL STATE APPROPRIATION FOR THE PRECEDING STATE
18 FISCAL YEAR.

19 (b) COLORADO MOUNTAIN COLLEGE MAY ELECT TO PARTICIPATE
20 IN THE FUNDING PROVISIONS SPECIFIED IN SECTION 23-18-303 IN LIEU OF
21 THE FUNDING PROVISIONS SPECIFIED IN PARAGRAPH (a) OF THIS
22 SUBSECTION (3). COLORADO MOUNTAIN COLLEGE MUST NOTIFY THE
23 COMMISSION BY AUGUST 1 OF ITS INTENTION TO PARTICIPATE IN THE
24 FUNDING PROVISIONS SPECIFIED IN SECTION 23-18-303 FOR THE
25 FOLLOWING STATE FISCAL YEAR. IF COLORADO MOUNTAIN COLLEGE
26 ELECTS TO PARTICIPATE IN THE FUNDING PROVISIONS OF SECTION
27 23-18-303, THE DEPARTMENT SHALL APPLY THE FUNDING PROVISIONS OF
28 SECTION 23-18-303 TO COLORADO MOUNTAIN COLLEGE IN THE SAME
29 MANNER AS THEY ARE APPLIED TO ALL OTHER INSTITUTIONS, AND
30 COLORADO MOUNTAIN COLLEGE MUST RECEIVE LEVELS OF FUNDING THAT
31 ARE COMPARABLE TO THE FUNDING RECEIVED BY THE GOVERNING BOARDS
32 IN ACCORDANCE WITH THE PROVISIONS OF SECTION 23-18-303.

33 (4) THE GOVERNING BOARDS OF INSTITUTIONS WITH SPECIALTY
34 EDUCATION PROGRAMS, THE AREA VOCATIONAL SCHOOLS, THE LOCAL
35 DISTRICT JUNIOR COLLEGES, AND THE COMMISSION ARE ENCOURAGED TO
36 DEVELOP FUNDING MODELS THAT INCLUDE SPECIFIC PERFORMANCE
37 METRICS TO ENSURE THAT THESE PROGRAMS AND INSTITUTIONS ARE
38 MEETING THE POLICY GOALS ESTABLISHED BY THE GENERAL ASSEMBLY
39 AND ADOPTED BY THE COMMISSION IN ITS MASTER PLAN.

40 **23-18-305. Total appropriations - adjustments - fiscal**
41 **emergency - resolution - financial hardship.** (1) (a) FOR THE 2015-16

1 STATE FISCAL YEAR THROUGH THE 2019-20 STATE FISCAL YEAR, THE
2 TOTAL GOVERNING BOARD APPROPRIATION FOR A GOVERNING BOARD FOR
3 A FISCAL YEAR SHALL NOT CHANGE FROM THE PRECEDING FISCAL YEAR BY
4 A PERCENTAGE THAT IS MORE THAN FIVE PERCENTAGE POINTS LESS THAN
5 OR FIVE PERCENTAGE POINTS GREATER THAN THE PERCENTAGE CHANGE IN
6 THE TOTAL STATE APPROPRIATION FROM THE PRECEDING FISCAL YEAR.
7 NOTWITHSTANDING ANY PROVISION OF THIS PART 3 TO THE CONTRARY,
8 THE GENERAL ASSEMBLY IN THE ANNUAL GENERAL APPROPRIATIONS BILL
9 SHALL ADJUST THE TOTAL GOVERNING BOARD APPROPRIATION FOR EACH
10 GOVERNING BOARD AS NECESSARY TO COMPLY WITH THIS SECTION.

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

19 (2) (a) FOR THE 2015-16 STATE FISCAL YEAR AND EACH FISCAL
20 YEAR THEREAFTER, THE TOTAL ANNUAL APPROPRIATION IN TRUST FOR
21 ELIGIBLE UNDERGRADUATE STUDENTS TO THE COLLEGE OPPORTUNITY
22 FUND PURSUANT TO SECTION 23-18-202 MUST BE AN AMOUNT EQUAL TO
23 AT LEAST FIFTY-TWO AND FIVE-TENTHS PERCENT OF THE TOTAL STATE
24 APPROPRIATION FOR THE APPLICABLE STATE FISCAL YEAR; EXCEPT THAT
25 THE PERCENTAGE MAY BE LESS THAN FIFTY-TWO AND FIVE-TENTHS
26 PERCENT AS A RESULT OF ADJUSTMENTS FOR ACTUAL ENROLLMENT MADE
27 PURSUANT TO SECTION 23-18-202 (1) (c).

28 (b) IF, DUE TO AN ECONOMIC DOWNTURN, THE DEPARTMENT AND
29 THE COMMISSION DETERMINE THAT COMPLYING WITH THE COLLEGE
30 OPPORTUNITY FUND STIPEND ALLOCATION REQUIREMENT SET FORTH IN
31 PARAGRAPH (a) OF THIS SUBSECTION (2) RESULTS IN AN UNDUE BURDEN TO
32 THE INSTITUTIONS, THE DEPARTMENT MAY SUBMIT AN ADDITIONAL
33 BUDGET REQUEST THAT DOES NOT COMPLY WITH THE COLLEGE
34 OPPORTUNITY FUND STIPEND ALLOCATION REQUIREMENT. TO APPROVE
35 THE DEPARTMENT'S BUDGET REQUEST WAIVING THE COLLEGE
36 OPPORTUNITY FUND STIPEND ALLOCATION REQUIREMENT, THE GENERAL
37 ASSEMBLY MUST ADOPT A JOINT RESOLUTION BY SIMPLE MAJORITY IN
38 BOTH CHAMBERS THAT DECLARES A FISCAL EMERGENCY.

39 (3) IF AFTER APPLYING THE COLLEGE OPPORTUNITY FUND STIPEND
40 ALLOCATION REQUIREMENT SET FORTH IN PARAGRAPH (a) OF SUBSECTION
41 (2) OF THIS SECTION AND THE FEE-FOR-SERVICE PROVISIONS OF SECTION

1 23-18-303 THE DEPARTMENT DETERMINES THAT THIS HAS RESULTED IN
2 FINANCIAL INSTABILITY FOR AND THE POTENTIAL CLOSURE OF AN
3 INSTITUTION, THE DEPARTMENT MAY RECOMMEND TO THE JOINT BUDGET
4 COMMITTEE THAT THE INSTITUTION BE TREATED AS A SPECIALTY
5 EDUCATION PROGRAM PURSUANT TO THE PROVISIONS OF SECTION
6 23-18-304. THE JOINT BUDGET COMMITTEE MAY INTRODUCE LEGISLATION
7 DESIGNATING THE INSTITUTION AS A SPECIALTY EDUCATION PROGRAM
8 SUBJECT TO THE PROVISIONS OF SECTION 23-18-304 AND EXEMPTING THE
9 INSTITUTION FROM ANY PROVISIONS OF THIS PART 3 FOR A SPECIFIED
10 PERIOD OF TIME. AN INSTITUTION THAT RECEIVES AN EXEMPTION
11 PURSUANT TO THIS SUBSECTION (3) SHALL, IN CONSULTATION WITH THE
12 DEPARTMENT AND THE COMMISSION, SUBMIT A PLAN FOR ACHIEVING
13 FINANCIAL STABILITY TO THE JOINT BUDGET COMMITTEE AND TO THE
14 EDUCATION COMMITTEES OF THE HOUSE OF REPRESENTATIVES AND OF THE
15 SENATE, OR ANY SUCCESSOR COMMITTEES.

16 (4) NOTWITHSTANDING ANY PROVISION OF THIS PART 3 TO THE
17 CONTRARY, IN A FISCAL YEAR IN WHICH THE PROVISIONS OF SECTION
18 23-1-108(1.9) APPLY, PERFORMANCE-BASED FUNDING THAT A GOVERNING
19 BOARD RECEIVES IS IN ADDITION TO ANY AMOUNTS THE GOVERNING
20 BOARD RECEIVES PURSUANT TO A FEE-FOR-SERVICE CONTRACT PURSUANT
21 TO SECTIONS 23-18-303 AND 23-1-304, A DIRECT GRANT THE GOVERNING
22 BOARD RECEIVES PURSUANT TO SECTION 23-18-304 AND PART 3 OF
23 ARTICLE 71 OF THIS TITLE, OR AMOUNTS THAT THE GOVERNING BOARD IS
24 AUTHORIZED TO EXPEND PURSUANT TO THE COLLEGE OPPORTUNITY FUND
25 PROGRAM CREATED IN PART 2 OF THIS ARTICLE.

26 **23-18-306. Duties and powers of the commission - department**
27 **- role and mission factors and performance metrics - consultation**
28 **with interested parties - facilitator.** (1) AS USED IN THIS SECTION,
29 "INTERESTED PARTIES" INCLUDES BUT IS NOT LIMITED TO THE GOVERNING
30 BOARDS OF INSTITUTIONS, HIGHER EDUCATION ADVOCATES, STUDENTS,
31 FACULTY, NONPROFIT EDUCATION ORGANIZATIONS, AND MEMBERS OF THE
32 BUSINESS COMMUNITY.

33 (2) (a) PURSUANT TO SECTION 23-18-303, NO LATER THAN
34 JANUARY 1, 2015, THE COMMISSION SHALL DETERMINE, IN CONSULTATION
35 WITH INTERESTED PARTIES, THE COMPONENTS OF THE FEE-FOR-SERVICE
36 CONTRACTS ENTERED INTO PURSUANT TO SECTION 23-18-303. THE
37 COMMISSION SHALL ESTABLISH THE COMPONENTS OF EACH FACTOR
38 RELATING TO ROLE AND MISSION FUNDING, INCLUDING THE WEIGHT
39 ASSOCIATED WITH EACH FACTOR, AND THE COMPONENTS OF EACH
40 PERFORMANCE METRIC RELATING TO PERFORMANCE FUNDING, INCLUDING
41 THE COMPONENTS OF EACH METRIC AND THE WEIGHT ASSOCIATED WITH
42 EACH METRIC.

1 (b) THE DEPARTMENT SHALL DETERMINE, APPLY, AND IMPLEMENT
2 EACH ROLE AND MISSION FACTOR AND PERFORMANCE FUNDING METRIC
3 PURSUANT TO THE FOLLOWING GUIDELINES:

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

7 (II) EACH ROLE AND MISSION FACTOR AND PERFORMANCE METRIC
8 MUST BE TRANSPARENT AND MEASURABLE;

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

12 (IV) EACH PERFORMANCE METRIC MUST BE APPLIED UNIFORMLY
13 TO ALL GOVERNING BOARDS. FOR EXAMPLE, THE PERFORMANCE FUNDING
14 METRIC FOR RETENTION MUST BE MEASURED AND APPLIED TO A
15 COMMUNITY COLLEGE IN THE SAME MANNER THAT IT IS MEASURED AND
16 APPLIED TO A FOUR-YEAR INSTITUTION.

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

21 (b) THE COMMISSION SHALL RETAIN A FACILITATOR TO ATTEND
22 MEETINGS AND FACILITATE THE WORK OF THE COMMISSION. THE
23 DEPARTMENT SHALL PROVIDE ANY ADDITIONAL NECESSARY STAFF
24 SUPPORT TO THE COMMISSION.

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

29 (d) AFTER DETERMINING THE INITIAL ROLE AND MISSION FACTORS
30 AND PERFORMANCE METRICS AND THE WEIGHTS ASSIGNED TO EACH
31 FACTOR OR METRIC, THE COMMISSION MAY CONTINUE TO MEET WITH
32 INTERESTED PARTIES TO REVIEW THE IMPLEMENTATION OF THE
33 FEE-FOR-SERVICE MODEL AND TO MAKE RECOMMENDATIONS TO THE JOINT
34 BUDGET COMMITTEE AND TO THE EDUCATION COMMITTEES OF THE HOUSE
35 OF REPRESENTATIVES AND THE SENATE CONCERNING CHANGES TO THE
36 FEE-FOR-SERVICE MODEL OR OTHER PROVISIONS OF THIS PART 3.

37 (4) BECAUSE THE IMPLEMENTATION OF THIS PART 3 MAY HAVE
38 UNANTICIPATED RESULTS, ON JULY 1, 2016, AND EACH JULY 1
39 THEREAFTER THROUGH JULY 1, 2020, THE COMMISSION SHALL SUBMIT A
40 WRITTEN REPORT TO THE JOINT BUDGET COMMITTEE AND TO THE
41 EDUCATION COMMITTEES OF THE HOUSE OF REPRESENTATIVES AND THE

1 SENATE CONCERNING THE STATUS OF THE IMPLEMENTATION OF THIS PART
2 3, AND MAY RECOMMEND CHANGES TO THE PROVISIONS OF THIS PART 3.

3 (5) THE GENERAL ASSEMBLY FINDS AND DECLARES THAT IT IS
4 VITAL THAT COLORADO'S HIGHER EDUCATION SYSTEM IS ACCESSIBLE AND
5 AFFORDABLE FOR ALL COLORADANS. THE INSTITUTIONS' TUITION POLICIES
6 ARE AN IMPORTANT COMPONENT OF ENSURING BOTH THE AFFORDABILITY
7 AND SUSTAINABILITY OF COLORADO'S HIGHER EDUCATION SYSTEM. WITH
8 THE EXPIRATION OF TUITION POLICIES IMPLEMENTED PURSUANT TO RECENT
9 LEGISLATION, IT IS IMPERATIVE THAT THE COMMISSION AND THE
10 GOVERNING BOARDS OF STATE INSTITUTIONS OF HIGHER EDUCATION, AS
11 WELL AS OTHER INTERESTED PARTIES, WORK COOPERATIVELY TO
12 STRUCTURE AN ONGOING TUITION POLICY FOR THE STATE. THEREFORE, BY
13 NOVEMBER 1, 2015, THE COMMISSION SHALL SUBMIT TO THE JOINT
14 BUDGET COMMITTEE AND TO THE EDUCATION COMMITTEES OF THE HOUSE
15 OF REPRESENTATIVES AND THE SENATE TUITION POLICIES THAT ENSURE
16 BOTH ACCESSIBLE AND AFFORDABLE HIGHER EDUCATION FOR COLORADO'S
17 RESIDENTS. THE TUITION POLICIES MUST ALSO REFLECT THE LEVEL OF
18 STATE FUNDING FOR INSTITUTIONS AND THE NEED OF EACH INSTITUTION
19 TO ENHANCE THE QUALITY OF EDUCATIONAL PROGRAMS AND OFFERINGS
20 AND STRENGTHEN THE FINANCIAL POSITION OF THE INSTITUTION. THE
21 COMMISSION SHALL DEVELOP THE TUITION POLICY RECOMMENDATIONS IN
22 CONSULTATION WITH THE GOVERNING BOARDS OF THE INSTITUTIONS AND
23 OTHER INTERESTED PARTIES USING AN INCLUSIVE AND TRANSPARENT
24 PROCESS.

25 (6) THE COMMISSION SHALL ADOPT ANY POLICIES OR PROCEDURES
26 NECESSARY FOR THE UNIFORM APPLICATION AND IMPLEMENTATION OF
27 THIS PART 3.

28 (7) THE DEPARTMENT SHALL COMPLY WITH THE REQUIREMENTS OF
29 THIS PART 3 IN SUBMITTING ITS BUDGET REQUEST PURSUANT TO THE
30 BUDGET PROCEDURES SPECIFIED IN PART 3 OF ARTICLE 37 OF TITLE 24,
31 C.R.S.

32 **23-18-307. Budget provisions - reporting.** (1) AS PART OF THE
33 DEPARTMENT'S 2014 PRESENTATION TO THE LEGISLATIVE COMMITTEES OF
34 REFERENCE PURSUANT TO SECTION 2-7-203, C.R.S., THE DEPARTMENT
35 SHALL REPORT ITS PROGRESS IN IMPLEMENTING THIS PART 3 AND SHALL
36 PROVIDE A DRAFT OF THE FACTORS AND METRICS, WITH THEIR WEIGHTS,
37 THAT THE COMMISSION IS CONSIDERING PURSUANT TO SECTION 23-18-306.

38 (2) (a) BY NOVEMBER 1, 2014, THE DEPARTMENT AND THE
39 COMMISSION SHALL SUBMIT A BUDGET REQUEST THAT INCLUDES THE
40 TOTAL AMOUNT OF FUNDING REQUESTED FOR HIGHER EDUCATION FOR THE
41 2015-16 STATE FISCAL YEAR AND A DRAFT OF THE FACTORS AND METRICS,

1 WITH THEIR WEIGHTS, THAT THE COMMISSION IS CONSIDERING PURSUANT
2 TO SECTION 23-18-306 BUT THAT DOES NOT INCLUDE THE SPECIFIC
3 ALLOCATION TO EACH GOVERNING BOARD.

4 (b) BY JANUARY 15, 2015, THE DEPARTMENT AND THE
5 COMMISSION SHALL SUBMIT AN UPDATED BUDGET REQUEST THAT
6 INCLUDES:

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

10 (II) THE FEE-FOR-SERVICE CONTRACT PROVISIONS OF SECTION
11 23-18-303 AS APPLIED TO EACH INSTITUTION, INCLUDING DETAILS OF THE
12 FUNDING REQUESTED FOR EACH INSTITUTION FOR EACH ROLE AND MISSION
13 FUNDING FACTOR AND EACH PERFORMANCE FUNDING METRIC.

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

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

20 (b) THE FEE-FOR-SERVICE CONTRACT PROVISIONS OF SECTION
21 23-18-303 AS APPLIED TO EACH INSTITUTION, INCLUDING DETAILS OF THE
22 FUNDING REQUESTED FOR EACH INSTITUTION FOR EACH ROLE AND MISSION
23 FUNDING FACTOR AND EACH PERFORMANCE FUNDING METRIC.

24 (4) IN DEVELOPING THE ANNUAL GENERAL APPROPRIATIONS BILL,
25 THE JOINT BUDGET COMMITTEE SHALL FOLLOW THE PROVISIONS OF
26 SECTION 23-18-303 IN CALCULATING THE AMOUNTS OF FEE-FOR-SERVICE
27 CONTRACTS, INCLUDING THE ROLE AND MISSION FUNDING FACTORS AND
28 PERFORMANCE FUNDING METRICS AS DETERMINED BY THE COMMISSION,
29 BUT MAY APPLY DIFFERENT WEIGHTS TO THE FACTORS AND METRICS THAN
30 THE VALUES DETERMINED BY THE COMMISSION. IF THE JOINT BUDGET
31 COMMITTEE ALTERS THE VALUE OF A FACTOR OR METRIC, THE NEW VALUE
32 SHALL BE APPLIED TO THE DETERMINATION OF ALL FEE-FOR-SERVICE
33 CONTRACTS PURSUANT TO SECTION 23-18-303.

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

36 **23-1-109.7. Duties and powers of the commission with regard**
37 **to the provision of educational services.** (1) ~~Beginning July 1, 2005, the~~
38 ~~commission shall be responsible for ensuring the provision of specific~~
39 ~~postsecondary educational services in the state. These educational~~
40 ~~services shall include but need not be limited to:~~

- 1 ~~(a) Educational services in rural areas or communities in which~~
2 ~~the cost of delivering such services is not sustained by the amount~~
3 ~~received in student tuition;~~
4 ~~(b) to (d) Repealed.~~
5 ~~(e) Educational services required of the commission to meet its~~
6 ~~obligations under reciprocal agreements pursuant to section 23-1-112;~~
7 ~~(f) Graduate school services;~~
8 ~~(g) Educational services that may increase economic development~~
9 ~~opportunities in the state, including courses to assist students in career~~
10 ~~development and retraining; and~~
11 ~~(h) Specialized educational services and professional degrees,~~
12 ~~including but not limited to the areas of dentistry, medicine, veterinary~~
13 ~~medicine, nursing, law, forestry, and engineering and programs that~~
14 ~~address identified state or national priorities.~~

15 (2) BEGINNING JULY 1, 2005, THE COMMISSION IS RESPONSIBLE
16 FOR ENSURING THE PROVISION OF POSTSECONDARY EDUCATIONAL
17 SERVICES PURSUANT TO PART 3 OF ARTICLE 18 OF THIS TITLE. The
18 department of higher education on behalf of the commission shall
19 annually enter into fee-for-service contracts with one or more governing
20 boards of institutions of higher education PURSUANT TO SECTION
21 23-18-303 to provide the higher education services specified in
22 ~~subsection (1) of this section 23-18-301.~~ The department of higher
23 education may contract with a governing board of an institution of higher
24 education only to the extent that the contract remains consistent with any
25 contract entered into pursuant to section 23-5-129 with the governing
26 board.

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

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

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

38 **23-18-202. College opportunity fund - appropriations -**
39 **payment of stipends - reimbursement - repeal.** (1) (c) (I) If there are
40 moneys remaining in the college opportunity fund after the final census

1 date of the last academic term of each state fiscal year, as determined in
2 accordance with this section, up to ~~three~~ TEN percent of the amount
3 annually authorized as cash spending authority in the general
4 appropriations act for a governing board to expend stipends received on
5 behalf of eligible undergraduate students may be expended by the same
6 governing board for postsecondary educational services purchased by the
7 department if authorized through a fee-for-service contract entered into
8 pursuant to sections 23-1-109.7 and ~~23-5-130~~ 23-18-303. The department
9 may transfer an equivalent amount in general fund spending authority
10 from stipends to fee-for-service contracts to fulfill its fee-for-service
11 contract obligations to a governing board pursuant to this paragraph (c)
12 and section ~~23-5-130~~ 23-18-303.

13 (II) IF THERE ARE INSUFFICIENT MONEYS IN THE COLLEGE
14 OPPORTUNITY FUND AFTER THE FINAL CENSUS DATE OF THE LAST
15 ACADEMIC TERM OF EACH STATE FISCAL YEAR, AS DETERMINED IN
16 ACCORDANCE WITH THIS SECTION, UP TO TEN PERCENT OF THE AMOUNT
17 ANNUALLY AUTHORIZED THROUGH A FEE-FOR-SERVICE CONTRACT
18 ENTERED INTO PURSUANT TO SECTIONS 23-1-109.7 AND 23-18-303 MAY BE
19 EXPENDED BY THE SAME GOVERNING BOARD FOR COLLEGE OPPORTUNITY
20 FUND STIPENDS ON BEHALF OF ELIGIBLE UNDERGRADUATE STUDENTS. THE
21 DEPARTMENT MAY TRANSFER AN EQUIVALENT AMOUNT IN ITS
22 FEE-FOR-SERVICE CONTRACT OBLIGATIONS TO A GOVERNING BOARD
23 PURSUANT TO THIS PARAGRAPH (c) AND SECTION 23-18-303, TO GENERAL
24 FUND SPENDING AUTHORITY FOR COLLEGE OPPORTUNITY FUND STIPENDS.

25 (2) (c) The commission shall forward to the general assembly and
26 governor, by November 1 of each year, a list of institutions eligible to
27 receive stipends on behalf of eligible undergraduate students under the
28 program. The commission shall annually request that the general
29 assembly adjust the amount appropriated to the Colorado student loan
30 program for the stipends, ~~TO WHICH AMOUNT MAY~~ reflect ~~at least~~ inflation
31 and enrollment growth in the state institutions of higher education.

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

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

37 **23-71-301. Direct grants to junior college districts -**
38 **occupational courses.** (1) (a) Any junior college district operating or
39 organized and operating as such during the entire school year in which a
40 grant is made shall be entitled to a direct grant, from funds appropriated

1 for this purpose, in an amount specified annually by the general assembly
2 PURSUANT TO SECTION 23-18-304. Procedures for the certification by
3 junior college districts to the state board for community colleges and
4 occupational education, referred to in this part 3 as the "board", of the
5 numbers of students and the quarter or semester hours for which students
6 are registered shall be prescribed by regulation of the board. No moneys
7 shall be distributed under this section for any students other than those
8 enrolled in postsecondary courses for credit in degree and certificate
9 programs.

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

12 **23-71-303. Distributions to area vocational schools.** (1) Any
13 area vocational school operating or organized and operating as such
14 during the entire school year may be reimbursed by the state in an amount
15 specified annually by the general assembly PURSUANT TO SECTION
16 23-18-304. In no instance shall such reimbursement exceed the total
17 direct cost of the vocational program per FTE.

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

20 **23-1-104. Financing the system of postsecondary education -**
21 **report - repeal.** (1) (a) (I) For fiscal years 2011-12 through 2015-16, the
22 general assembly shall make annual appropriations of moneys that are
23 estimated to be received by an institution, under the direction and control
24 of the governing board, as stipends, as defined in section 23-18-102, and
25 through fee-for-service contracts, as authorized in sections 23-1-109.7
26 and ~~23-5-130~~ 23-18-303, as a single line item to each governing board for
27 the operation of its campuses; except that, if the general assembly
28 appropriates moneys, as described in paragraph (c) of this subsection (1),
29 to the Colorado state forest service, the agricultural experiment station
30 department of the Colorado state university, or the Colorado state
31 university cooperative extension service, such moneys shall not be
32 included within the single line item appropriations described in this
33 paragraph (a).

34 (b) (I) For the 2010-11 fiscal year and for fiscal years beginning
35 on or after July 1, 2016, the general assembly shall make annual
36 appropriations of general fund moneys, of cash funds received from
37 tuition income, and of moneys that are estimated to be received by an
38 institution, under the direction and control of the governing board, as
39 stipends, as defined in section 23-18-102, and through fee-for-service
40 contracts, as authorized in sections 23-1-109.7 and ~~23-5-130~~ 23-18-303,

1 as a single line item to each governing board for the operation of its
2 campuses; except that, if the general assembly appropriates moneys, as
3 described in paragraph (c) of this subsection (1), to the Colorado state
4 forest service, the agricultural experiment station department of the
5 Colorado state university, or the Colorado state university cooperative
6 extension service, such moneys shall not be included within the single
7 line item appropriations described in this paragraph (b).

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

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

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

24 **23-1-108. Duties and powers of the commission with regard to**
25 **systemwide planning.** (1.9) (a) (II) The commission's
26 performance-based funding plan shall specifically address the manner in
27 which the appropriation of performance-based funding will affect the
28 college opportunity fund stipends authorized in section 23-18-202 and the
29 fee-for-service contracts authorized in sections 23-1-109.7 and ~~23-5-130~~
30 23-18-303. In fulfilling the requirements of subparagraph (I) of this
31 paragraph (a), the commission shall analyze the effect of modifying the
32 college opportunity fund stipend amounts for purposes of improving
33 student retention, facilitating the success of transfers between institutions
34 and between degree programs, and providing incentives for the timely
35 completion of academic degrees. The modifications may include, but
36 need not be limited to, differentiating stipend amounts based on each
37 student's status as a freshman, sophomore, junior, or senior. In addition,
38 the commission shall analyze the effect of limiting the amount of funding
39 for credit hours earned in excess of one hundred forty credits for a
40 baccalaureate degree, or seventy hours for an associate degree.

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

3 **23-18-101. Short title.** PARTS 1 AND 2 OF this article shall be
4 known and may be cited as the "College Opportunity Fund Act".

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

7 **23-18-102. Definitions.** As used in PARTS 1 AND 2 OF this article,
8 unless the context otherwise requires:

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

11 **23-20-138. Health sciences center - definitions - accountable**
12 **student program - creation.** (6) The fee-for-service contract negotiated
13 between the board and the department of higher education pursuant to
14 section ~~23-5-130~~ 23-18-303 shall specify the amount of funding for
15 educational services provided to graduate students by the state of
16 Colorado. A graduate student receiving educational services paid for by
17 the state of Colorado is not eligible to be an accountable student.

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

20 **23-41-104.7. Funding.** (1) Beginning in the 2011-12 fiscal year,
21 Colorado school of mines shall use a portion of its fee-for-service funding
22 negotiated pursuant to section ~~23-5-130~~ 23-18-303 to provide merit-based
23 scholarships, need-based financial aid, and graduate student support to
24 assist students with in-state classification to attend the institution, and
25 shall increase said portion to ensure that, no later than the 2020-21 fiscal
26 year and for each fiscal year thereafter, all said funding shall be used for
27 said purposes, except as otherwise provided in paragraph (b) of
28 subsection (2) of this section.

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

31 **24-1-114. Department of higher education - creation.**
32 (5) (b) With respect to the Colorado commission on higher education and
33 the universities, colleges, and boards specified in subsection (4) of this
34 section, the executive director shall have only those powers, duties, and
35 functions prescribed in article 1 of title 23, C.R.S.; except that the
36 executive director of the Colorado commission on higher education is
37 authorized to negotiate, implement, and monitor contracts, as described
38 in sections 23-5-129 and ~~23-5-130~~ 23-18-303, C.R.S., with universities,
39 colleges, and boards, in consultation with the Colorado commission on
40 higher education.

1 **SECTION 14.** In Colorado Revised Statutes, 24-36-120, **amend**
2 (4) (g) as follows:
3 **24-36-120. Authority to assess transaction fees.** (4) The state
4 treasurer shall not assess a fee for an eligible transaction involving any of
5 the following funds:
6 (g) The college opportunity fund created in ~~article 18 of title 23~~
7 SECTION 23-18-202, C.R.S.
8 **SECTION 15.** In Colorado Revised Statutes, 24-77-104.5,
9 **amend** (4) (a) (III) and (4) (a) (IV) as follows:
10 **24-77-104.5. General fund exempt account - appropriations to**
11 **critical needs fund - specification of uses for health care and**
12 **education - definitions.** (4) (a) Funding for the benefit of students
13 attending community colleges and other institutions of higher education,
14 as used in subparagraph (III) of paragraph (b) of subsection (1) of this
15 section, shall be limited to funding for:
16 (III) The college opportunity fund program created in PARTS 1
17 AND 2 OF article 18 of title 23, C.R.S.;
18 (IV) Fee-for-service contracts authorized pursuant to section
19 ~~23-5-130~~ 23-18-303, C.R.S.; and
20 **SECTION 16. Safety clause.** The general assembly hereby finds,
21 determines, and declares that this act is necessary for the immediate
22 preservation of the public peace, health, and safety."

** ** ** ** **