

**UPDATED SUMMARY  
HOUSE BILL 14-1319**

**Second Regular Session - Sixty-ninth Colorado General Assembly**

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*This summary applies to the reengrossed version of this bill as introduced in the second house. It does not reflect any amendments that may be subsequently adopted. This summary reflects only the main points of the legislation.*

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. *Beginning with the 2015-16 state fiscal year, the bill creates a method for determining the amounts of fee-for-service contracts entered into by the department of higher education (department) and the governing boards of state institutions of higher education (institutions), excluding the local district junior colleges, and area vocational schools, and specialty education programs. Each fee-for-service contract at a minimum, must include the following components, as they apply to particular institutions six role and mission funding factors and six performance funding metrics. The Colorado commission on higher education (commission) shall convene meetings with interested stakeholders to determine the components of each role and mission factor and each performance funding metric.*

- ~~! — 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 role and mission factors include:*

- ! Institutional mission funding, to offset the costs of providing undergraduate programs. In establishing the components of the factor the commission shall consider, among other components, selectivity, the number of campuses, rural and urban location, low-enrollment that affects operational costs, and whether the institution conducts research.*
- ! Support services for Pell-eligible students which funding shall be at least equal to 10% of the amount of the college opportunity fund stipend. The commission may provide funding for support services for first-generation and*

*underserved students.*

- ! Graduate program funding, to offset the costs of providing graduate programs. At a minimum, the factor must include an amount for each graduate student, which amount may be based on the subject and level of the graduate program.*
- ! Remediation, to offset the costs of providing basic skills programs and approved supplemental academic instruction to students who are not ready for college-level work. The commission shall determine who to measure successful remediation.*
- ! Up to two additional role and mission factors as determined by the commission.*

*Each role and mission factor may be applied differently to institutions, but to the extent possible, similar institutions must be treated similarly.*

*The performance funding metrics include:*

- ! Completion, including an amount of funding for each certificate or degree awarded by an institution and, for a community college, an amount for each student who transfers after completion of a certain number of credit hours, as determined by the commission. The commission shall increase the value of each credential, degree, or transfer by Pell-eligible students and may increase the value for first-generation and underserved students.*
- ! Retention, including an amount of funding for students who make academic progress by completing 30, 60, or 90 credit hours.*
- ! Up to four additional performance funding metrics that support the policy goals adopted by the commission.*

*Each performance funding metric must be applied uniformly to all institutions.*

*Colorado school of mines is permitted to study and recommend a different funding structure for its institution.*

*The amounts of the fee-for-service contracts for ~~specialized educational services~~ specialty education 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. However, for the health sciences center and the veterinary medicine program, the funding may increase by a greater percentage or decrease by a lesser percentage. In determining the amount of the contract, the department shall consider that these are high-cost, low-enrollment programs. The commission and the department may also recommend that an additional program receive specialty education funding, and the joint budget committee of the general assembly may introduce legislation to implement the recommendation.*

*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~~ specialty education services. However, after considering the status of performance contracts with the local district junior colleges and area vocational schools,*

*the department may recommend that grants increase by a greater percentage or decrease by a lesser percentage. Colorado mountain college may elect to participate in the fee-for-service contract provisions that apply to other institutions and the bill sets forth the process for the election.*

~~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%.~~

*For the 2015-16 state fiscal year through the 2019-20 state fiscal year, 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. Beginning with the 2020-21 state fiscal year, if the department determines that it is appropriate, the department may recommend that the joint budget committee make the same adjustment to governing board appropriations.*

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%~~ 52.5% 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 bill includes circumstances in which the college opportunity fund stipend allocation requirement does not apply or may be waived by resolution adopted by the general assembly.*

*The bill requires the commission to submit written reports to the general assembly concerning the fee-for-service role and mission funding factors and the performance funding metrics.*

*The bill requires the commission to meet with the governing boards and other interested parties to submit recommendations to the general assembly concerning tuition policies.*

~~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 includes the process for submitting annual budget requests relating to fee-for-service contracts.~~

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.

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Italicized words indicate new material added to the original summary; dashes through words indicate deletions from the original summary.  
Prepared by the Office of Legislative Legal Services.