

Second Regular Session  
Sixty-ninth General Assembly  
STATE OF COLORADO

ENGROSSED

*This Version Includes All Amendments Adopted  
on Second Reading in the House of Introduction*

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.

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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.*

HOUSE  
Amended 2nd Reading  
April 17, 2014

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.

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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 OR THE BOARD OF TRUSTEES FOR COLORADO MESA  
2 UNIVERSITY.

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

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

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

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

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

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

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

1           **23-18-303. Fee-for-service contracts - authorization.** (1) FOR  
2 THE 2015-16 STATE FISCAL YEAR AND EACH FISCAL YEAR THEREAFTER,  
3 THE GOVERNING BOARD OF A STATE INSTITUTION OF HIGHER EDUCATION  
4 MAY ANNUALLY NEGOTIATE A FEE-FOR-SERVICE CONTRACT WITH THE  
5 DEPARTMENT FOR THE DELIVERY OF HIGHER EDUCATION SERVICES BY THE  
6 INSTITUTION FOR THE BENEFIT OF THE STATE AND ITS RESIDENTS.  
7 SPECIALTY EDUCATION PROGRAMS, AREA VOCATIONAL SCHOOLS, AND  
8 LOCAL DISTRICT JUNIOR COLLEGES ARE FUNDED PURSUANT TO THE  
9 PROVISIONS OF SECTION 23-18-304.

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

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

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

26           (I) THE SELECTIVITY OF THE INSTITUTION;

27           (II) THE NUMBER OF CAMPUSES OF THE INSTITUTION;

- 1 (III) THE RURAL OR URBAN LOCATION OF THE INSTITUTION;
- 2 (IV) LOW STUDENT ENROLLMENT AT AN INSTITUTION OR A CAMPUS
- 3 OF AN INSTITUTION THAT AFFECTS THE ABILITY OF THE INSTITUTION OR
- 4 CAMPUS TO MEET OPERATIONAL COSTS; AND
- 5 (V) WHETHER THE INSTITUTION CONDUCTS RESEARCH.

6 (b) **Support services for Pell-eligible, first-generation, and**

7 **underserved undergraduate students.** ROLE AND MISSION FUNDING

8 MUST INCLUDE AN AMOUNT FOR EACH GOVERNING BOARD TO OFFSET THE

9 COSTS INCURRED IN PROVIDING ADDITIONAL SUPPORT SERVICES TO

10 PELL-ELIGIBLE UNDERGRADUATE STUDENTS ENROLLED IN THE

11 INSTITUTION. THE AMOUNT OF FUNDING FOR SUPPORT SERVICES FOR EACH

12 PELL-ELIGIBLE UNDERGRADUATE STUDENT ENROLLED IN THE INSTITUTION

13 MUST BE AT LEAST EQUAL TO TEN PERCENT OF THE AMOUNT OF THE

14 COLLEGE OPPORTUNITY FUND STIPEND, AS SET BY THE GENERAL

15 ASSEMBLY PURSUANT TO SECTION 23-18-202, FOR THE APPLICABLE STATE

16 FISCAL YEAR. THE COMMISSION MAY INCLUDE AN AMOUNT FOR EACH

17 GOVERNING BOARD TO OFFSET THE COSTS INCURRED IN PROVIDING

18 SUPPORT SERVICES TO FIRST-GENERATION UNDERGRADUATE STUDENTS

19 ENROLLED IN THE INSTITUTION AFTER THE COMMISSION ESTABLISHES IN

20 CONSULTATION WITH THE INSTITUTIONS A CONSISTENT DEFINITION AND

21 DATA COLLECTION METHOD FOR IDENTIFYING THIS STUDENT POPULATION.

22 THE COMMISSION MAY ALSO INCLUDE AN AMOUNT FOR EACH GOVERNING

23 BOARD TO OFFSET THE COSTS INCURRED IN PROVIDING SUPPORT SERVICES

24 TO UNDERGRADUATE STUDENTS WHO ARE IDENTIFIED AS UNDERSERVED

25 AFTER THE COMMISSION ESTABLISHES IN CONSULTATION WITH THE

26 INSTITUTIONS A CONSISTENT DEFINITION AND DATA COLLECTION METHOD

27 FOR IDENTIFYING UNDERSERVED STUDENTS.



1           (c) **Graduate programs.** ROLE AND MISSION FUNDING MUST  
2 INCLUDE AN AMOUNT FOR EACH ELIGIBLE GOVERNING BOARD TO OFFSET  
3 THE COSTS INCURRED IN PROVIDING GRADUATE PROGRAMS AT  
4 INSTITUTIONS THAT ARE AUTHORIZED TO PROVIDE GRADUATE PROGRAMS.  
5 IN ESTABLISHING THE COMPONENTS OF THIS FACTOR, THE COMMISSION  
6 SHALL INCLUDE, AT A MINIMUM, AN AMOUNT FOR EACH GRADUATE  
7 STUDENT ENROLLED IN AN INSTITUTION, WHICH AMOUNT MAY BE BASED  
8 ON THE SUBJECT AND LEVEL OF THE GRADUATE PROGRAM.

9           (d) **Remediation.** ROLE AND MISSION FUNDING MUST INCLUDE AN  
10 AMOUNT FOR EACH ELIGIBLE GOVERNING BOARD TO OFFSET THE COSTS  
11 INCURRED IN PROVIDING EFFECTIVE BASIC SKILLS COURSES FOR STUDENTS  
12 ENROLLED AT AN INSTITUTION THAT IS AUTHORIZED TO PROVIDE BASIC  
13 SKILLS COURSES AND THE COSTS INCURRED IN PROVIDING APPROVED  
14 SUPPLEMENTAL ACADEMIC INSTRUCTION PURSUANT TO SECTION 23-1-113  
15 (1.5) (a) (II). IN ESTABLISHING THE COMPONENTS OF THIS FACTOR, THE  
16 COMMISSION SHALL DETERMINE HOW TO MEASURE SUCCESSFUL  
17 REMEDIATION, WHICH MEASURE MAY INCLUDE A STUDENT'S SUCCESSFUL  
18 COMPLETION OF A FIRST-LEVEL COLLEGE COURSE IN THE AREA OF  
19 REMEDIATION, INCLUDING ENGLISH OR MATH. THE COMMISSION MAY ALSO  
20 INCLUDE COMPONENTS RELATING TO THE SPEED OF A STUDENT'S  
21 REMEDIATION AND THE COST OF REMEDIATION TO THE STUDENT.

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

1 AFFORDABILITY, COST STUDIES, TECHNOLOGY TRANSFER, AND PROVISION  
2 OF CAREER AND TECHNICAL PROGRAMS.

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

7 (a) **Completion.** PERFORMANCE FUNDING MUST INCLUDE AN  
8 AMOUNT FOR EACH GOVERNING BOARD FOR EACH CERTIFICATE OR DEGREE  
9 AWARDED BY THE INSTITUTION, AND, FOR THE GOVERNING BOARD OF AN  
10 INSTITUTION WITH A COMMUNITY COLLEGE ROLE AND MISSION, AN  
11 AMOUNT FOR EACH COMMUNITY COLLEGE STUDENT WHO TRANSFERS FROM  
12 A COMMUNITY COLLEGE AFTER COMPLETION OF A CERTAIN NUMBER OF  
13 CREDIT HOURS. THE COMMISSION SHALL ESTABLISH THE AMOUNT  
14 AWARDED FOR EACH TYPE OF CREDENTIAL BASED ON THE SUBJECT AND  
15 LEVEL OF THE CREDENTIAL AND, FOR TRANSFERS FROM COMMUNITY  
16 COLLEGES, AND THE AMOUNT AWARDED AND, IN CONSULTATION WITH THE  
17 INSTITUTIONS, THE NUMBER OF CREDIT HOURS TO BE COMPLETED PRIOR TO  
18 TRANSFER. THE COMMISSION SHALL INCREASE THE VALUE OF EACH  
19 CREDENTIAL EARNED BY OR TRANSFER COMPLETED BY A PELL-ELIGIBLE  
20 UNDERGRADUATE STUDENT AND MAY INCREASE THE VALUE OF EACH  
21 CREDENTIAL EARNED OR TRANSFER COMPLETED BY A FIRST-GENERATION  
22 OR UNDERSERVED UNDERGRADUATE STUDENT IF THE COMMISSION  
23 IMPLEMENTS INCREASED FUNDING FOR THESE STUDENT POPULATIONS  
24 PURSUANT TO PARAGRAPH (b) OF SUBSECTION (3) OF THIS SECTION.

25 (b) **Retention.** PERFORMANCE FUNDING MUST INCLUDE AN  
26 AMOUNT FOR EACH GOVERNING BOARD BASED ON THE NUMBER OF  
27 STUDENTS ENROLLED IN AN INSTITUTION WHO MAKE ACADEMIC PROGRESS

1 BY COMPLETING THIRTY CREDIT HOURS, SIXTY CREDIT HOURS, OR NINETY  
2 CREDIT HOURS. IN ESTABLISHING THE COMPONENTS OF THIS METRIC, THE  
3 COMMISSION MAY INCLUDE A COMPONENT RELATED TO AN INCREASE IN  
4 THE INSTITUTION'S RETENTION RATE. AN INSTITUTION THAT RECEIVES A  
5 COMPLETION INCENTIVE FOR A STUDENT WHO TRANSFERS AFTER  
6 COMPLETING THIRTY CREDIT HOURS IS NOT ELIGIBLE FOR A RETENTION  
7 BONUS FOR THAT STUDENT IN THE SAME YEAR.

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

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

26 (6) NOTWITHSTANDING ANY PROVISION OF THIS SECTION TO THE  
27 CONTRARY, EACH FEE-FOR-SERVICE CONTRACT NEGOTIATED PURSUANT TO

1 THIS SECTION IS SUBJECT TO THE PROVISIONS OF SECTION 23-18-305.

2 (7) IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT A STATE  
3 INSTITUTION OF HIGHER EDUCATION THAT ENTERS INTO A  
4 FEE-FOR-SERVICE CONTRACT THAT INCLUDES BASIC SKILLS COURSES  
5 SHALL NOT CHARGE A STUDENT MORE PER CREDIT HOUR FOR A BASIC  
6 SKILLS COURSE THAN THE STUDENT WOULD PAY PER CREDIT HOUR FOR A  
7 GENERAL EDUCATION COURSE.

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

1 APPLICABLE STATE FISCAL YEAR FROM THE TOTAL STATE APPROPRIATION  
2 FOR THE PRECEDING STATE FISCAL YEAR.

3 (II) NOTWITHSTANDING THE PROVISIONS OF SUBPARAGRAPH (I) OF  
4 THIS PARAGRAPH (a) TO THE CONTRARY, THE FEE-FOR-SERVICE CONTRACT  
5 FOR THE HEALTH SCIENCES CENTER CAMPUS OF THE UNIVERSITY OF  
6 COLORADO AND THE VETERINARY MEDICINE PROGRAM AT COLORADO  
7 STATE UNIVERSITY MAY INCREASE BY A PERCENTAGE THAT IS GREATER  
8 THAN THE PERCENTAGE CHANGE IN THE TOTAL STATE APPROPRIATION FOR  
9 THE APPLICABLE FISCAL YEAR FROM THE TOTAL STATE APPROPRIATION  
10 FOR THE PRECEDING STATE FISCAL YEAR AND MAY DECREASE BY A  
11 PERCENTAGE THAT IS LESS THAN THE PERCENTAGE CHANGE IN THE TOTAL  
12 STATE APPROPRIATION FOR THE APPLICABLE FISCAL YEAR FROM THE  
13 TOTAL STATE APPROPRIATION FOR THE PRECEDING STATE FISCAL YEAR. IN  
14 DETERMINING THE AMOUNT OF THE FEE-FOR-SERVICE CONTRACTS, THE  
15 DEPARTMENT SHALL TAKE INTO ACCOUNT THE FACT THAT THE HEALTH  
16 SCIENCES CENTER CAMPUS AT THE UNIVERSITY OF COLORADO AND THE  
17 VETERINARY MEDICINE PROGRAM AT COLORADO STATE UNIVERSITY ARE  
18 HIGH-COST, LOW-ENROLLMENT PROGRAMS.

19 (b) IF, UPON THE RECOMMENDATION OF THE COMMISSION AND THE  
20 DEPARTMENT, THE JOINT BUDGET COMMITTEE DETERMINES THAT AN  
21 EDUCATIONAL PROGRAM THAT IS NOT INCLUDED IN PARAGRAPH (a) OF  
22 THIS SUBSECTION (1) SHOULD RECEIVE FUNDING AS A SPECIALTY  
23 EDUCATION PROGRAM PURSUANT TO THIS SECTION, THE JOINT BUDGET  
24 COMMITTEE MAY INTRODUCE LEGISLATION THAT DESIGNATES THE  
25 PROGRAM AS A SPECIALTY EDUCATION PROGRAM FUNDED PURSUANT TO  
26 THIS SECTION.

27 (2) (a) EXCEPT AS PROVIDED IN PARAGRAPH (b) OF THIS

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

10 (b) AFTER CONSIDERING THE STATUS OF THE PERFORMANCE  
11 CONTRACTS WITH THE AREA VOCATIONAL SCHOOLS PURSUANT TO SECTION  
12 23-5-129, THE COMMISSION MAY RECOMMEND AS PART OF ITS BUDGET  
13 REQUEST THAT DIRECT GRANTS TO AREA VOCATIONAL SCHOOLS INCREASE  
14 BY A PERCENTAGE THAT IS GREATER THAN THE PERCENTAGE CHANGE IN  
15 THE TOTAL STATE APPROPRIATION FOR THE PRECEDING STATE FISCAL YEAR  
16 OR DECREASE BY A PERCENTAGE THAT IS LESS THAN THE PERCENTAGE  
17 CHANGE IN THE TOTAL STATE APPROPRIATION FOR THE APPLICABLE FISCAL  
18 YEAR FROM THE TOTAL STATE APPROPRIATION FOR THE PRECEDING STATE  
19 FISCAL YEAR.

20 (3) (a) EXCEPT AS PROVIDED IN PARAGRAPH (b) OF THIS  
21 SUBSECTION (3), FOR THE 2015-16 STATE FISCAL YEAR AND EACH FISCAL  
22 YEAR THEREAFTER, THE DIRECT GRANTS MADE TO ELIGIBLE JUNIOR  
23 COLLEGE DISTRICTS PURSUANT TO PART 3 OF ARTICLE 71 OF THIS TITLE  
24 FOR A STATE FISCAL YEAR MUST BE EQUAL TO THE AMOUNT OF THE  
25 GRANTS MADE IN THE PRECEDING STATE FISCAL YEAR, INCREASED OR  
26 DECREASED BY A PERCENTAGE EQUAL TO THE PERCENTAGE CHANGE IN  
27 THE TOTAL STATE APPROPRIATION FOR THE APPLICABLE STATE FISCAL

1 YEAR FROM THE TOTAL STATE APPROPRIATION FOR THE PRECEDING STATE  
2 FISCAL YEAR.

3 (b) AFTER CONSIDERING THE STATUS OF THE PERFORMANCE  
4 CONTRACTS WITH THE LOCAL DISTRICT JUNIOR COLLEGES PURSUANT TO  
5 SECTION 23-5-129, THE COMMISSION MAY RECOMMEND AS PART OF ITS  
6 BUDGET REQUEST THAT DIRECT GRANTS TO LOCAL DISTRICT JUNIOR  
7 COLLEGES INCREASE BY A PERCENTAGE THAT IS GREATER THAN THE  
8 PERCENTAGE CHANGE IN THE TOTAL STATE APPROPRIATION FOR THE  
9 PRECEDING STATE FISCAL YEAR OR DECREASE BY A PERCENTAGE THAT IS  
10 LESS THAN THE PERCENTAGE CHANGE IN THE TOTAL STATE APPROPRIATION  
11 FOR THE APPLICABLE FISCAL YEAR FROM THE TOTAL STATE  
12 APPROPRIATION FOR THE PRECEDING STATE FISCAL YEAR.

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

27 (4) THE GOVERNING BOARDS OF INSTITUTIONS WITH SPECIALTY

1 EDUCATION PROGRAMS, THE AREA VOCATIONAL SCHOOLS, THE LOCAL  
2 DISTRICT JUNIOR COLLEGES, AND THE COMMISSION ARE ENCOURAGED TO  
3 DEVELOP FUNDING MODELS THAT INCLUDE SPECIFIC PERFORMANCE  
4 METRICS TO ENSURE THAT THESE PROGRAMS AND INSTITUTIONS ARE  
5 MEETING THE POLICY GOALS ESTABLISHED BY THE GENERAL ASSEMBLY  
6 AND ADOPTED BY THE COMMISSION IN ITS MASTER PLAN.

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

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

27 (2) (a) EXCEPT AS PROVIDED IN PARAGRAPH (b) OF THIS



1 SUBSECTION (2), FOR THE 2015-16 STATE FISCAL YEAR AND EACH FISCAL  
2 YEAR THEREAFTER, THE TOTAL ANNUAL APPROPRIATION IN TRUST FOR  
3 ELIGIBLE UNDERGRADUATE STUDENTS TO THE COLLEGE OPPORTUNITY  
4 FUND PURSUANT TO SECTION 23-18-202 MUST BE AN AMOUNT EQUAL TO  
5 AT LEAST FIFTY-TWO AND FIVE-TENTHS PERCENT OF THE TOTAL STATE  
6 APPROPRIATION FOR THE APPLICABLE STATE FISCAL YEAR; EXCEPT THAT  
7 THE PERCENTAGE MAY BE LESS THAN FIFTY-TWO AND FIVE-TENTHS  
8 PERCENT AS A RESULT OF ADJUSTMENTS FOR ACTUAL ENROLLMENT MADE  
9 PURSUANT TO SECTION 23-18-202 (1) (c).

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

21 (II) THE COLLEGE OPPORTUNITY FUND STIPEND ALLOCATION  
22 REQUIREMENT SET FORTH IN PARAGRAPH (a) OF THIS SUBSECTION (2) DOES  
23 NOT APPLY IN ANY STATE FISCAL YEAR FOR WHICH THE REVENUE  
24 ESTIMATE PREPARED BY THE LEGISLATIVE COUNCIL STAFF IN MARCH OF  
25 THE FISCAL YEAR PRIOR TO THE NEXT FISCAL YEAR INDICATES THAT THERE  
26 ARE EXCESS STATE REVENUES OF AT LEAST FIFTY MILLION DOLLARS THAT  
27 ARE REQUIRED TO BE REFUNDED PURSUANT TO SECTION 20 OF ARTICLE X

1 OF THE STATE CONSTITUTION.

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

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

1 AUTHORIZED TO EXPEND PURSUANT TO THE COLLEGE OPPORTUNITY FUND  
2 PROGRAM CREATED IN PART 2 OF THIS ARTICLE.

3 **23-18-306. Duties and powers of the commission - department**  
4 **- role and mission factors and performance metrics - consultation**  
5 **with interested parties - facilitator.** (1) AS USED IN THIS SECTION,  
6 "INTERESTED PARTIES" INCLUDES BUT IS NOT LIMITED TO THE GOVERNING  
7 BOARDS OF INSTITUTIONS, INSTITUTION ADMINISTRATORS, HIGHER  
8 EDUCATION ADVOCATES, STUDENTS, FACULTY, NONPROFIT EDUCATION  
9 ORGANIZATIONS, AND MEMBERS OF THE BUSINESS COMMUNITY.

10 (2) (a) PURSUANT TO SECTION 23-18-303, NO LATER THAN  
11 JANUARY 1, 2015, THE COMMISSION SHALL DETERMINE, IN CONSULTATION  
12 WITH INTERESTED PARTIES, THE ROLE AND MISSION FACTORS AND  
13 PERFORMANCE FUNDING METRICS FOR FEE-FOR-SERVICE CONTRACTS  
14 ENTERED INTO PURSUANT TO SECTION 23-18-303. THE COMMISSION SHALL  
15 ESTABLISH THE COMPONENTS OF EACH FACTOR RELATING TO ROLE AND  
16 MISSION FUNDING, INCLUDING THE WEIGHT ASSOCIATED WITH EACH  
17 FACTOR, AND THE COMPONENTS OF EACH PERFORMANCE METRIC RELATING  
18 TO PERFORMANCE FUNDING, INCLUDING THE COMPONENTS OF EACH  
19 METRIC AND THE WEIGHT ASSOCIATED WITH EACH METRIC.

20 (b) THE COMMISSION SHALL DETERMINE, AND THE DEPARTMENT  
21 SHALL APPLY AND IMPLEMENT EACH ROLE AND MISSION FACTOR AND  
22 PERFORMANCE FUNDING METRIC PURSUANT TO THE FOLLOWING  
23 GUIDELINES:

24 (I) EACH ROLE AND MISSION FACTOR AND PERFORMANCE FUNDING  
25 METRIC MUST BE TIED TO THE POLICY GOALS ESTABLISHED BY THE  
26 GENERAL ASSEMBLY AND BY THE COMMISSION IN ITS MASTER PLAN;

27 (II) EACH ROLE AND MISSION FACTOR AND PERFORMANCE

1 FUNDING METRIC MUST BE TRANSPARENT AND MEASURABLE;

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

5 (IV) EACH PERFORMANCE FUNDING METRIC MUST BE APPLIED  
6 UNIFORMLY TO ALL GOVERNING BOARDS. FOR EXAMPLE, THE  
7 PERFORMANCE FUNDING METRIC FOR RETENTION MUST BE MEASURED AND  
8 APPLIED TO A COMMUNITY COLLEGE IN THE SAME MANNER THAT IT IS  
9 MEASURED AND APPLIED TO A FOUR-YEAR INSTITUTION.

10 (3) (a) FROM MAY 2014 THROUGH DECEMBER 2014, THE  
11 COMMISSION SHALL CONVENE A SERIES OF MEETINGS WITH INTERESTED  
12 PARTIES TO DEVELOP THE ROLE AND MISSION FACTORS AND PERFORMANCE  
13 FUNDING METRICS FOR FEE-FOR-SERVICE CONTRACTS PURSUANT TO  
14 SUBSECTION (2) OF THIS SECTION.

15 (b) THE COMMISSION SHALL RETAIN A FACILITATOR TO ATTEND  
16 MEETINGS AND FACILITATE THE WORK OF THE COMMISSION. THE  
17 DEPARTMENT SHALL PROVIDE ANY ADDITIONAL NECESSARY STAFF  
18 SUPPORT TO THE COMMISSION.

19 (c) THE COMMISSION MAY ORGANIZE ITS WORK IN THE MANNER IT  
20 CHOOSES, INCLUDING CONVENING COMMITTEES OF INTERESTED PERSONS  
21 TO FOCUS ON SPECIFIC ROLE AND MISSION FACTORS OR PERFORMANCE  
22 FUNDING METRICS.

23 (d) AFTER DETERMINING THE INITIAL ROLE AND MISSION FACTORS  
24 AND PERFORMANCE FUNDING METRICS AND THE WEIGHTS ASSIGNED TO  
25 EACH FACTOR OR METRIC, THE COMMISSION MAY CONTINUE TO MEET WITH  
26 INTERESTED PARTIES TO REVIEW THE IMPLEMENTATION OF THE  
27 FEE-FOR-SERVICE MODEL AND TO MAKE RECOMMENDATIONS TO THE JOINT

1 BUDGET COMMITTEE AND TO THE EDUCATION COMMITTEES OF THE HOUSE  
2 OF REPRESENTATIVES AND THE SENATE CONCERNING CHANGES TO THE  
3 FEE-FOR-SERVICE MODEL OR OTHER PROVISIONS OF THIS PART 3.

4 (4) BECAUSE THE IMPLEMENTATION OF THIS PART 3 MAY HAVE  
5 UNANTICIPATED RESULTS, ON JULY 1, 2016, AND EACH JULY 1  
6 THEREAFTER THROUGH JULY 1, 2020, THE COMMISSION SHALL SUBMIT A  
7 WRITTEN REPORT TO THE JOINT BUDGET COMMITTEE AND TO THE  
8 EDUCATION COMMITTEES OF THE HOUSE OF REPRESENTATIVES AND THE  
9 SENATE CONCERNING THE STATUS OF THE IMPLEMENTATION OF THIS PART  
10 3, AND MAY RECOMMEND CHANGES TO THE PROVISIONS OF THIS PART 3.

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

1 AND STRENGTHEN THE FINANCIAL POSITION OF THE INSTITUTION. THE  
2 COMMISSION SHALL DEVELOP THE TUITION POLICY RECOMMENDATIONS IN  
3 CONSULTATION WITH THE GOVERNING BOARDS OF THE INSTITUTIONS AND  
4 OTHER INTERESTED PARTIES USING AN INCLUSIVE AND TRANSPARENT  
5 PROCESS.

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

9 (7) THE DEPARTMENT SHALL COMPLY WITH THE REQUIREMENTS OF  
10 THIS PART 3 IN SUBMITTING ITS BUDGET REQUEST PURSUANT TO THE  
11 BUDGET PROCEDURES SPECIFIED IN PART 3 OF ARTICLE 37 OF TITLE 24,  
12 C.R.S.

13 **23-18-307. Budget provisions - reporting.** (1) AS PART OF THE  
14 DEPARTMENT'S 2014 PRESENTATION TO THE LEGISLATIVE COMMITTEES OF  
15 REFERENCE PURSUANT TO SECTION 2-7-203, C.R.S., THE DEPARTMENT  
16 SHALL REPORT ITS PROGRESS IN IMPLEMENTING THIS PART 3 AND SHALL  
17 PROVIDE A DRAFT OF THE FACTORS AND METRICS, WITH THEIR WEIGHTS,  
18 THAT THE COMMISSION IS CONSIDERING PURSUANT TO SECTION 23-18-306.

19 (2) (a) BY NOVEMBER 1, 2014, THE DEPARTMENT AND THE  
20 COMMISSION SHALL SUBMIT A BUDGET REQUEST THAT INCLUDES THE  
21 TOTAL AMOUNT OF FUNDING REQUESTED FOR HIGHER EDUCATION FOR THE  
22 2015-16 STATE FISCAL YEAR AND A DRAFT OF THE FACTORS AND METRICS,  
23 WITH THEIR WEIGHTS, THAT THE COMMISSION IS CONSIDERING PURSUANT  
24 TO SECTION 23-18-306 BUT THAT DOES NOT INCLUDE THE SPECIFIC  
25 ALLOCATION TO EACH GOVERNING BOARD.

26 (b) BY JANUARY 15, 2015, THE DEPARTMENT AND THE  
27 COMMISSION SHALL SUBMIT AN UPDATED BUDGET REQUEST THAT

1 INCLUDES:

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

5 (II) THE FEE-FOR-SERVICE CONTRACT PROVISIONS OF SECTION  
6 23-18-303 AS APPLIED TO EACH INSTITUTION, INCLUDING DETAILS OF THE  
7 FUNDING REQUESTED FOR EACH INSTITUTION FOR EACH ROLE AND MISSION  
8 FUNDING FACTOR AND EACH PERFORMANCE FUNDING METRIC.

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

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

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

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

1       CONTRACTS PURSUANT TO SECTION 23-18-303.

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

4               **23-1-109.7. Duties and powers of the commission with regard**  
5 **to the provision of educational services.** (1) ~~Beginning July 1, 2005, the~~  
6 ~~commission shall be responsible for ensuring the provision of specific~~  
7 ~~postsecondary educational services in the state. These educational~~  
8 ~~services shall include but need not be limited to:~~

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

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

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

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

16               ~~(g) Educational services that may increase economic development~~  
17 ~~opportunities in the state, including courses to assist students in career~~  
18 ~~development and retraining; and~~

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

23               (2) ~~BEGINNING JULY 1, 2005, THE COMMISSION IS RESPONSIBLE~~  
24 ~~FOR ENSURING THE PROVISION OF POSTSECONDARY EDUCATIONAL~~  
25 ~~SERVICES PURSUANT TO PART 3 OF ARTICLE 18 OF THIS TITLE. The~~  
26 ~~department of higher education on behalf of the commission shall~~  
27 ~~annually enter into fee-for-service contracts with one or more governing~~



1 boards of institutions of higher education PURSUANT TO SECTION  
2 23-18-303 to provide the higher education services specified in  
3 subsection (1) of this section 23-18-301. The department of higher  
4 education may contract with a governing board of an institution of higher  
5 education only to the extent that the contract remains consistent with any  
6 contract entered into pursuant to section 23-5-129 with the governing  
7 board.

8 (3) The commission shall make annual funding recommendations  
9 to the general assembly and the governor regarding the funding necessary  
10 for the department of higher education to contract on the commission's  
11 behalf for the provision of higher education services in the state,  
12 including but not limited to the services specified in subsection (1) of this  
13 section SECTIONS 23-18-301 AND 23-18-303. The general assembly shall  
14 annually appropriate to the commission an amount of general fund  
15 moneys to carry out the purposes of this section.

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

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

19 **23-18-202. College opportunity fund - appropriations -**  
20 **payment of stipends - reimbursement - repeal.** (1) (c) If there are  
21 moneys remaining in the college opportunity fund OR IF THERE ARE  
22 INSUFFICIENT MONEYS IN THE COLLEGE OPPORTUNITY FUND after the final  
23 census date of the last academic term of each state fiscal year, as  
24 determined in accordance with this section, THE DEPARTMENT MAY  
25 TRANSFER up to ~~three~~ TEN percent of the amount annually authorized as  
26 cash spending authority in the general appropriations act for a governing  
27 board to ~~expend stipends received on behalf of eligible undergraduate~~

1 students may be expended by the same governing board for postsecondary  
2 educational services purchased by the department if authorized through  
3 a fee-for-service contract entered into pursuant to sections 23-1-109.7 and  
4 23-5-130. The department may transfer an equivalent amount in general  
5 fund spending authority from stipends to fee-for-service contracts to  
6 fulfill its fee-for-service contract obligations to a governing board  
7 pursuant to this paragraph (c) and section 23-5-130 ANNUAL TOTAL  
8 GOVERNING BOARD APPROPRIATION FOR THE INSTITUTION BETWEEN THE  
9 CASH SPENDING AUTHORITY FOR THE GOVERNING BOARD TO EXPEND  
10 STIPENDS RECEIVED ON BEHALF OF ELIGIBLE UNDERGRADUATE STUDENTS  
11 AND A FEE-FOR-SERVICE CONTRACT FOR THE GOVERNING BOARD ENTERED  
12 INTO PURSUANT TO SECTIONS 23-1-109.7 AND 23-18-303.

13 (2) (c) The commission shall forward to the general assembly and  
14 governor, by November 1 of each year, a list of institutions eligible to  
15 receive stipends on behalf of eligible undergraduate students under the  
16 program. The commission shall annually request that the general  
17 assembly adjust the amount appropriated to the Colorado student loan  
18 program for the stipends, to WHICH AMOUNT MAY reflect at least inflation  
19 and enrollment growth in the state institutions of higher education.

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

23 **SECTION 5.** In Colorado Revised Statutes, 23-71-301, **amend**

24 (1) (a) as follows:

25 **23-71-301. Direct grants to junior college districts -**  
26 **occupational courses.** (1) (a) Any junior college district operating or  
27 organized and operating as such during the entire school year in which a

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

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

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

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

21 **23-1-104. Financing the system of postsecondary education -**  
22 **report - repeal.** (1) (a) (I) For fiscal years 2011-12 through 2015-16, the  
23 general assembly shall make annual appropriations of moneys that are  
24 estimated to be received by an institution, under the direction and control  
25 of the governing board, as stipends, as defined in section 23-18-102, and  
26 through fee-for-service contracts, as authorized in sections 23-1-109.7  
27 and ~~23-5-130~~ 23-18-303, as a single line item to each governing board for

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

8 (b) (I) For the 2010-11 fiscal year and for fiscal years beginning  
9 on or after July 1, 2016, the general assembly shall make annual  
10 appropriations of general fund moneys, of cash funds received from  
11 tuition income, and of moneys that are estimated to be received by an  
12 institution, under the direction and control of the governing board, as  
13 stipends, as defined in section 23-18-102, and through fee-for-service  
14 contracts, as authorized in sections 23-1-109.7 and ~~23-5-130~~ 23-18-303,  
15 as a single line item to each governing board for the operation of its  
16 campuses; except that, if the general assembly appropriates moneys, as  
17 described in paragraph (c) of this subsection (1), to the Colorado state  
18 forest service, the agricultural experiment station department of the  
19 Colorado state university, or the Colorado state university cooperative  
20 extension service, such moneys shall not be included within the single  
21 line item appropriations described in this paragraph (b).

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

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

9           **SECTION 8.** In Colorado Revised Statutes, 23-1-108, **amend**  
10 (1.9) (a) (II) as follows:

11           **23-1-108. Duties and powers of the commission with regard to**  
12 **systemwide planning.** (1.9) (a) (II) The commission's  
13 performance-based funding plan shall specifically address the manner in  
14 which the appropriation of performance-based funding will affect the  
15 college opportunity fund stipends authorized in section 23-18-202 and the  
16 fee-for-service contracts authorized in sections 23-1-109.7 and ~~23-5-130~~  
17 23-18-303. In fulfilling the requirements of subparagraph (I) of this  
18 paragraph (a), the commission shall analyze the effect of modifying the  
19 college opportunity fund stipend amounts for purposes of improving  
20 student retention, facilitating the success of transfers between institutions  
21 and between degree programs, and providing incentives for the timely  
22 completion of academic degrees. The modifications may include, but  
23 need not be limited to, differentiating stipend amounts based on each  
24 student's status as a freshman, sophomore, junior, or senior. In addition,  
25 the commission shall analyze the effect of limiting the amount of funding  
26 for credit hours earned in excess of one hundred forty credits for a  
27 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

1 subsection (2) of this section.

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

4 **24-1-114. Department of higher education - creation.**

5 (5) (b) With respect to the Colorado commission on higher education and  
6 the universities, colleges, and boards specified in subsection (4) of this  
7 section, the executive director shall have only those powers, duties, and  
8 functions prescribed in article 1 of title 23, C.R.S.; except that the  
9 executive director of the Colorado commission on higher education is  
10 authorized to negotiate, implement, and monitor contracts, as described  
11 in sections 23-5-129 and ~~23-5-130~~ 23-18-303, C.R.S., with universities,  
12 colleges, and boards, in consultation with the Colorado commission on  
13 higher education.

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

16 **24-36-120. Authority to assess transaction fees.** (4) The state  
17 treasurer shall not assess a fee for an eligible transaction involving any of  
18 the following funds:

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

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

23 **24-77-104.5. General fund exempt account - appropriations to**  
24 **critical needs fund - specification of uses for health care and**  
25 **education - definitions.** (4) (a) Funding for the benefit of students  
26 attending community colleges and other institutions of higher education,  
27 as used in subparagraph (III) of paragraph (b) of subsection (1) of this

1 section, shall be limited to funding for:

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

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

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

13 **SECTION 17. Appropriation - adjustments to the 2014 long**  
14 **bill.** (1) For the implementation of this act, the general fund appropriation  
15 made in the annual general appropriation act to the controlled  
16 maintenance trust fund created in section 24-75-302.5 (2) (a) Colorado  
17 Revised Statutes, for the fiscal year beginning July 1, 2014, is decreased  
18 by \$772,133.

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

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

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



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

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