

**Second Regular Session
Seventy-second General Assembly
STATE OF COLORADO**

REVISED

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

LLS NO. 20-1090.02 Brita Darling x2241

HOUSE BILL 20-1366

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A BILL FOR AN ACT

101 **CONCERNING A HIGHER EDUCATION FUNDING ALLOCATION MODEL.**

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://leg.colorado.gov/>.)

Joint Budget Committee. The bill makes revisions to the higher education funding provisions set forth in part 3 of article 18 of title 23, Colorado Revised Statutes, creating a new higher education funding allocation model (new funding model).

Under current law, state funding for state institutions of higher education (institutions) is provided through appropriations for fee-for-service contracts and student stipends through the college opportunity fund program. In addition, state funding to support specialty

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

SENATE
2nd Reading Unamended
June 5, 2020

HOUSE
3rd Reading Unamended
June 3, 2020

HOUSE
2nd Reading Unamended
June 1, 2020

education programs, such as the health sciences center at the university of Colorado and the veterinary medicine program at Colorado state university, and area technical colleges and local district colleges, is provided through specialty education fee-for-service contracts and grants.

The bill creates a new funding model beginning with the 2021-22 state fiscal year that includes new provisions for calculating fee-for-service contracts for institutions and makes related changes to the calculation of state funding to support specialty education programs, area technical colleges, and local district colleges.

Under the new funding model, fee-for-service contracts for institutions are based on 3 components: Ongoing additional funding, performance funding, and temporary additional funding. The Colorado commission on higher education (commission), in conjunction with the department of higher education (department) and in collaboration with the institutions, shall calculate and make funding recommendations to the joint budget committee for these components as part of the annual budget request process.

Ongoing additional funding is base building and may be awarded to an institution to make progress toward the commission's master plan goals, which may include addressing base funding disparities or funding priorities not addressed through performance funding metrics. An institution may also receive ongoing additional funding through a formula set forth in the bill to recognize an institution's additional costs associated with educating and providing services to first-generation undergraduate students.

Performance funding is calculated based on an institution's change over time in performance on each performance funding metric compared to other institutions' change in performance and adjusted based on each institution's share of funding in the previous state fiscal year. The performance funding metrics include:

- ! Resident student full-time equivalent enrollment;
- ! Credential completion;
- ! Resident Pell-eligible student population share;
- ! Resident underrepresented minority student population share;
- ! Retention rate;
- ! One-hundred-percent-of-time graduation rate;
- ! One-hundred-fifty-percent-of-time graduation rate; and
- ! Resident first-generation undergraduate student population share.

The joint budget committee determines the amount of funding allocated to each performance funding metric for a fiscal year after considering recommendations from the commission and department that are developed in collaboration with the institutions.

Finally, temporary additional funding, which is not base building,

may be awarded to an institution for a specified period of time to address commission master plan goals or other areas the commission identifies.

Under current law and the new model, minimum funding for specialty education programs, local district colleges, and area technical colleges provided pursuant to section 23-18-304, Colorado Revised Statutes, is based on their previous year's funding, increased or decreased by the average percentage change in state funding for all institutions (percentage change). However, the bill modifies how the percentage change is calculated so that it does not include amounts awarded to institutions for ongoing additional funding or temporary additional funding in the applicable state fiscal year.

The bill requires the annual budget request that the commission and the department submit relating to the new funding model to include detailed information and funding recommendations.

The bill also requires the commission, in conjunction with the department and in collaboration with the institutions, to identify and make recommendations to the joint budget committee by July 1, 2022, concerning ways to better measure success for students who are not first-time, full-time students. This may include a recommendation for a statutory change to the calculation of one of the graduation rate performance funding metrics.

The bill repeals fiscal limits, reporting requirements, and budget provisions that do not apply to the new funding model.

The bill makes conforming amendments in statute to reflect the creation of a new higher education funding model.

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

2 **SECTION 1.** In Colorado Revised Statutes, 23-18-301, **amend**
3 (1)(c), (1)(f), (1)(g), and (2)(b); and **add** (1)(f.5) as follows:

4 **23-18-301. Legislative declaration.** (1) The general assembly
5 finds and declares that:

6 (c) Colorado ~~currently~~ ranks ~~third~~ HIGHLY in the United States in
7 the percentage of its citizens between the ages of twenty-five and
8 sixty-four with a college degree, largely due to the migration of
9 college-educated adults from other states and countries;

10 (f) In particular, it is critical that the rate of postsecondary
11 participation by low-income Coloradans and minorities, who are currently

1 underrepresented, be increased at Colorado's institutions of higher
2 education; ~~and~~

3 (f.5) AS PART OF AN AFFORDABLE HIGHER EDUCATION, THE
4 COLORADO COMMISSION ON HIGHER EDUCATION SHOULD ENSURE THAT
5 INSTITUTIONS PROVIDE REALISTIC OPPORTUNITIES FOR STUDENTS TO
6 SHORTEN THEIR TIME TO DEGREE, WHEN APPROPRIATE, WHILE ALSO
7 RECOGNIZING THE CHALLENGES THAT SOME STUDENTS FACE AS THEY
8 WORK OR TAKE CARE OF AND SUPPORT THEIR FAMILIES WHILE STRIVING TO
9 AVOID ACCUMULATING STUDENT DEBT; AND

10 (g) Colorado's limited state resources must be used in a way that
11 provides incentives for state institutions of higher education to achieve
12 the policy goals adopted by the general assembly and IDENTIFIED IN the
13 Colorado commission on higher ~~education~~ EDUCATION'S MASTER PLAN.

14 (2) The general assembly further finds and declares that:

15 (b) These goals can be accomplished by the general assembly
16 establishing performance FUNDING metrics that are consistent, ~~and~~
17 predictable, ~~but that may be amended, as appropriate, to reflect the~~
18 ~~changing goals of the state and of institutions~~ AND FOCUSED ON IMPROVED
19 PERFORMANCE;

20 **SECTION 2.** In Colorado Revised Statutes, **amend** 23-18-302 as
21 follows:

22 **23-18-302. Definitions - repeal.** As used in this part 3, unless the
23 context otherwise requires:

24 (1) "Applicable fiscal year" or "applicable state fiscal year" means
25 the state fiscal year that commences July 1 after the conclusion of the
26 regular legislative session. For example, during the 2015 regular
27 legislative session, the "applicable fiscal year" means the 2015-16 fiscal

1 year.

2 ~~(1.5)~~ (2) "Area technical college" has the same meaning as
3 provided in section 23-60-103 (1).

4 ~~(2)~~ (3) "Commission" means the Colorado commission on higher
5 education established pursuant to section 23-1-102.

6 ~~(3)~~ (4) ~~"Community college" means a community and technical~~
7 ~~college described in section 23-60-205 that is governed by the state board~~
8 ~~for community colleges and occupational education or the board of~~
9 ~~trustees for Colorado Mesa university.~~ "CREDENTIAL COMPLETION"

10 MEANS THE CALCULATION OF STUDENT CREDENTIAL COMPLETION BY A
11 GOVERNING BOARD BASED ON EQUAL WEIGHTING OF THE TOTAL RESIDENT
12 STUDENT COMPLETIONS OF POSTSECONDARY CREDENTIALS IN A GIVEN
13 STATE FISCAL YEAR. THE CREDENTIAL COMPLETION CALCULATION
14 INCLUDES:

15 (a) ONLY CREDENTIALS RECOGNIZED BY THE DEPARTMENT AND
16 DETERMINED BY COMMISSION POLICY FOR PURPOSES OF THIS SUBSECTION
17 (4); AND

18 (b) EQUAL WEIGHTING FOR A RESIDENT STUDENT WHO TRANSFERS
19 OUT OF AN INSTITUTION WITH A COMMUNITY COLLEGE ROLE AND MISSION
20 SPECIFIED IN STATUTE, AFTER ACCUMULATING AT LEAST EIGHTEEN CREDIT
21 HOURS AT THE INSTITUTION IN A TWO-YEAR DEGREE PROGRAM.

22 ~~(4)~~ (5) "Department" means the Colorado department of higher
23 education established pursuant to section 24-1-114. ~~C.R.S.~~

24 ~~(5)~~ (6) "Local district college" means a local district college
25 operating pursuant to article 71 of this ~~title~~ TITLE 23.

26 ~~(6)~~ (7) "Master plan" means the master plan created pursuant to
27 section 23-1-108.

1 (8) "ONE-HUNDRED-FIFTY-PERCENT-OF-TIME GRADUATION RATE"
2 MEANS, FOR A FOUR-YEAR INSTITUTION, THE PERCENTAGE OF FIRST-TIME,
3 FULL-TIME, DEGREE-SEEKING UNDERGRADUATE STUDENTS STARTING IN
4 THE FALL TERM AND GRADUATING WITHIN SIX YEARS WITH A BACHELOR'S
5 DEGREE FROM THE SAME INSTITUTION, AND, FOR A TWO-YEAR
6 INSTITUTION, THE PERCENTAGE OF FIRST-TIME, FULL-TIME, ASSOCIATE
7 DEGREE-SEEKING OR UNDERGRADUATE CERTIFICATE-SEEKING STUDENTS
8 STARTING IN THE FALL TERM AND COMPLETING THEIR DECLARED PROGRAM
9 WITHIN ONE HUNDRED FIFTY PERCENT OF THE NORMAL TIME TO
10 COMPLETION, AS REPORTED TO THE INTEGRATED POSTSECONDARY
11 EDUCATION DATA SYSTEM MAINTAINED BY THE FEDERAL DEPARTMENT OF
12 EDUCATION. IF THE INTEGRATED POSTSECONDARY EDUCATION DATA
13 SYSTEM DOES NOT INCLUDE DATA FOR AN INSTITUTION OR GOVERNING
14 BOARD FOR PRIOR STATE FISCAL YEARS, THE DEPARTMENT SHALL USE ITS
15 AVAILABLE DATA, AS REPORTED BY THE GOVERNING BOARD TO THE
16 DEPARTMENT THROUGH THE STUDENT-UNIT RECORD DATABASE, IN PLACE
17 OF THE MISSING INTEGRATED POSTSECONDARY EDUCATION DATA SYSTEM
18 DATA. THE DEPARTMENT SHALL ENSURE THAT THE GOVERNING BOARDS
19 COLLECT AND REPORT THE DATA IN A CONSISTENT MANNER. A STUDENT
20 MAY BE COUNTED ONLY ONCE IN A STATE FISCAL YEAR FOR PURPOSES OF
21 THIS PERFORMANCE FUNDING METRIC.

22 (9) "ONE-HUNDRED-PERCENT-OF-TIME GRADUATION RATE"
23 MEANS, FOR A FOUR-YEAR INSTITUTION, THE PERCENTAGE OF FIRST-TIME,
24 FULL-TIME, DEGREE-SEEKING UNDERGRADUATE STUDENTS STARTING IN
25 THE FALL TERM AND GRADUATING WITHIN FOUR YEARS WITH A
26 BACHELOR'S DEGREE FROM THE SAME INSTITUTION, AND, FOR A TWO-YEAR
27 INSTITUTION, THE PERCENTAGE OF FIRST-TIME, FULL-TIME, ASSOCIATE

1 DEGREE-SEEKING OR UNDERGRADUATE CERTIFICATE-SEEKING STUDENTS
2 STARTING IN THE FALL TERM AND COMPLETING THEIR DECLARED PROGRAM
3 WITHIN ONE HUNDRED PERCENT OF THE NORMAL TIME TO COMPLETION, AS
4 REPORTED TO THE INTEGRATED POSTSECONDARY EDUCATION DATA
5 SYSTEM MAINTAINED BY THE FEDERAL DEPARTMENT OF EDUCATION. IF
6 THE INTEGRATED POSTSECONDARY EDUCATION DATA SYSTEM DOES NOT
7 INCLUDE DATA FOR AN INSTITUTION OR GOVERNING BOARD FOR PRIOR
8 STATE FISCAL YEARS, THE DEPARTMENT SHALL USE ITS AVAILABLE DATA,
9 AS REPORTED BY THE GOVERNING BOARD TO THE DEPARTMENT THROUGH
10 THE STUDENT-UNIT RECORD DATABASE, IN PLACE OF THE MISSING
11 INTEGRATED POSTSECONDARY EDUCATION DATA SYSTEM DATA. THE
12 DEPARTMENT SHALL ENSURE THAT THE GOVERNING BOARDS COLLECT AND
13 REPORT THE DATA IN A CONSISTENT MANNER. A STUDENT MAY BE
14 COUNTED ONLY ONCE IN A STATE FISCAL YEAR FOR PURPOSES OF THIS
15 PERFORMANCE FUNDING METRIC.

16 ~~(7)~~ (10) "Pell-eligible student" means an undergraduate student
17 who qualifies for the federal Pell grant or for a grant through a successor
18 program.

19 ~~(7.5)~~ (11) "Preceding fiscal year" or "preceding state fiscal year"
20 means the state fiscal year that ends immediately before the applicable
21 fiscal year. For example, during the 2015 regular legislative session, the
22 "preceding fiscal year" means the 2014-15 fiscal year.

23 (12) (a) "RESIDENT FIRST-GENERATION UNDERGRADUATE
24 STUDENT" MEANS A RESIDENT STUDENT WHO, UNTIL THE AGE OF
25 EIGHTEEN, PRIMARILY RESIDED WITH A SINGLE PARENT WHO DOES NOT, OR
26 WITH PARENTS OR GUARDIANS BOTH OF WHOM DO NOT, POSSESS A
27 BACHELOR'S DEGREE, BASED ON INSTITUTIONAL REPORTING DATA

1 DESCRIBED IN SUBSECTION (12)(b) OF THIS SECTION.

2 (b) EACH GOVERNING BOARD SHALL COLLECT AND REPORT TO THE
3 DEPARTMENT RESIDENT FIRST-GENERATION UNDERGRADUATE STUDENT
4 DATA BASED ON STUDENT REPORTING AS TO PRIMARY RESIDENCE UNTIL
5 THE AGE OF EIGHTEEN AND THE EDUCATIONAL ATTAINMENT OF THE
6 STUDENT'S PARENTS OR GUARDIANS. DATA COLLECTED MUST BE
7 REPORTED IN COMPLIANCE WITH THIS SUBSECTION (12) NOT LATER THAN
8 THE CENSUS STUDENT DATA FOR THE FALL 2020 TERM AND FOR EACH FALL
9 TERM THEREAFTER. THE DEPARTMENT SHALL ENSURE THAT THE
10 GOVERNING BOARDS COLLECT AND REPORT THE DATA IN A CONSISTENT
11 MANNER.

12 (13) "RESIDENT FIRST-GENERATION UNDERGRADUATE STUDENT
13 POPULATION SHARE" MEANS THE RESIDENT FIRST-GENERATION
14 UNDERGRADUATE STUDENT HEAD COUNT AS A PERCENTAGE OF THE
15 OVERALL RESIDENT STUDENT POPULATION HEAD COUNT FROM THE FALL
16 ENROLLMENT CENSUS COLLECTED BY THE DEPARTMENT.

17 (14) "RESIDENT PELL-ELIGIBLE STUDENT POPULATION SHARE"
18 MEANS THE RESIDENT PELL-ELIGIBLE STUDENT HEAD COUNT AS A
19 PERCENTAGE OF THE OVERALL RESIDENT STUDENT POPULATION HEAD
20 COUNT FROM THE END-OF-TERM FALL ENROLLMENT COLLECTED BY THE
21 DEPARTMENT.

22 (15) "RESIDENT STUDENT FULL-TIME EQUIVALENT ENROLLMENT"
23 MEANS THE FINAL STATE FISCAL YEAR COUNT OF RESIDENT
24 UNDERGRADUATE AND GRADUATE FULL-TIME EQUIVALENT STUDENTS
25 ENROLLED AT A STATE INSTITUTION OF HIGHER EDUCATION, NOT
26 INCLUDING RESIDENT GRADUATE STUDENTS AT THE UNIVERSITY OF
27 COLORADO ANSCHUTZ MEDICAL CAMPUS AND GRADUATE STUDENTS AT

1 THE COLORADO STATE UNIVERSITY VETERINARY MEDICINE CAMPUS.

2 (16) "RESIDENT UNDERREPRESENTED MINORITY STUDENT
3 POPULATION SHARE" MEANS THE TOTAL RESIDENT STUDENT HEAD COUNT
4 OF UNDERREPRESENTED MINORITY STUDENTS, AS DEFINED BY THE
5 DEPARTMENT, AS A PERCENTAGE OF THE OVERALL RESIDENT STUDENT
6 POPULATION HEAD COUNT FROM THE END-OF-TERM FALL ENROLLMENT
7 COLLECTED BY THE DEPARTMENT.

8 (17) "RETENTION RATE" MEANS, FOR A FOUR-YEAR INSTITUTION,
9 THE PERCENTAGE OF FIRST-TIME, FULL-TIME UNDERGRADUATE STUDENTS
10 STARTING IN THE FALL TERM AND RETURNING FOR THEIR SECOND FALL
11 TERM AT THE SAME INSTITUTION, AND, FOR A TWO-YEAR INSTITUTION, THE
12 PERCENTAGE OF FIRST-TIME, FULL-TIME ASSOCIATE DEGREE-SEEKING OR
13 UNDERGRADUATE CERTIFICATE-SEEKING STUDENTS STARTING IN THE FALL
14 TERM AND EITHER RETURNING FOR OR SUCCESSFULLY COMPLETING THEIR
15 DECLARED PROGRAM BY THE SECOND FALL TERM AT THE SAME
16 INSTITUTION, AS REPORTED TO THE INTEGRATED POSTSECONDARY
17 EDUCATION DATA SYSTEM MAINTAINED BY THE FEDERAL DEPARTMENT OF
18 EDUCATION. IF THE INTEGRATED POSTSECONDARY EDUCATION DATA
19 SYSTEM DOES NOT INCLUDE DATA FOR AN INSTITUTION OR GOVERNING
20 BOARD FOR PRIOR STATE FISCAL YEARS, THE DEPARTMENT SHALL USE ITS
21 AVAILABLE DATA, AS REPORTED BY THE GOVERNING BOARD TO THE
22 DEPARTMENT THROUGH THE STUDENT-UNIT RECORD DATABASE, IN PLACE
23 OF THE MISSING INTEGRATED POSTSECONDARY EDUCATION DATA SYSTEM
24 DATA. THE DEPARTMENT SHALL ENSURE THAT THE GOVERNING BOARDS
25 COLLECT AND REPORT THE DATA IN A CONSISTENT MANNER. A STUDENT
26 MAY BE COUNTED ONLY ONCE IN A STATE FISCAL YEAR FOR PURPOSES OF
27 THIS PERFORMANCE FUNDING METRIC.

1 (18) (a) "ROLE AND MISSION SHARE" MEANS THE PERCENTAGE
2 SHARE OF FUNDING APPROPRIATED TO EACH GOVERNING BOARD OF THE
3 TOTAL AMOUNT APPROPRIATED IN THE PRECEDING STATE FISCAL YEAR
4 PURSUANT TO SECTIONS 23-18-202 AND 23-18-303.5, EXCLUDING THE
5 AMOUNT APPROPRIATED PURSUANT TO SECTION 23-18-303.5 (3).

6 (b) (I) NOTWITHSTANDING THE PROVISIONS OF SUBSECTION (18)(a)
7 OF THIS SECTION TO THE CONTRARY, FOR THE 2021-22 STATE FISCAL YEAR,
8 THE ROLE AND MISSION SHARE IS CALCULATED AS THE PERCENTAGE SHARE
9 OF FUNDING APPROPRIATED TO EACH GOVERNING BOARD OF THE TOTAL
10 AMOUNT APPROPRIATED IN THE 2019-20 STATE FISCAL YEAR PURSUANT TO
11 SECTIONS 23-18-202 AND 23-18-303.

12 (II) THIS SUBSECTION (18)(b) IS REPEALED, EFFECTIVE JULY 1,
13 2022.

14 ~~(8)~~ (19) "State institution of higher education" or "institution" has
15 the same meaning as defined in section 23-18-102 (10).

16 ~~(9)~~ (20) "Total governing board appropriation":

17 (a) For the applicable fiscal year or applicable state fiscal year, has
18 the same meaning as the total state appropriation for the applicable fiscal
19 year, as ~~defined in subsection (10)(a) of this section,~~ as applied to a
20 governing board.

21 (b) For the preceding fiscal year or preceding state fiscal year, has
22 the same meaning as the total state appropriation for the preceding fiscal
23 year, as ~~defined in subsection (10)(b) of this section,~~ as applied to a
24 governing board.

25 ~~(10)~~ (21) (a) "Total state appropriation" means, FOR STATE FISCAL
26 YEARS BEGINNING BEFORE JULY 1, 2021:

27 (I) For the preceding fiscal year or preceding state fiscal year, the

1 sum of:

2 (A) The total amount appropriated in the annual general
3 appropriations act for the preceding fiscal year to the governing boards
4 of the state institutions of higher education for fee-for-service contracts
5 determined pursuant to section 23-18-303 and the amount of the
6 appropriation to the college opportunity fund established in section
7 23-18-202 for student stipends. This amount is the amount as enacted
8 during the legislative session in which the act was initially adopted,
9 unless otherwise specified in a supplemental appropriations act.

10 (B) Appropriations pursuant to sections 23-18-202 and 23-18-303
11 that were included in acts other than the annual general appropriations act
12 for the preceding fiscal year that were enacted during the same legislative
13 session as the annual general appropriations act, unless the act otherwise
14 specifies.

15 (II) For the applicable fiscal year or applicable state fiscal year,
16 the total amount appropriated in the annual general appropriations act for
17 the fiscal year to the governing boards of the state institutions of higher
18 education for fee-for-service contracts determined pursuant to section
19 23-18-303 and the amount of the appropriation to the college opportunity
20 fund established in section 23-18-202 for student stipends. This amount
21 includes only the amounts enacted in the annual general appropriations
22 act as initially enacted, unless a supplemental appropriations act or
23 another act otherwise specifies. The total state appropriation for the
24 applicable fiscal year excludes any out-year costs or savings from
25 legislation adopted in previous years that the general assembly determines
26 were not accounted for in the preceding fiscal year's appropriations.

27 (b) THIS SUBSECTION (21) IS REPEALED, EFFECTIVE JULY 1, 2022.

1 (22) (a) "TOTAL STATE APPROPRIATION" MEANS, FOR STATE FISCAL
2 YEARS BEGINNING ON OR AFTER JULY 1, 2021:

3 (I) FOR THE PRECEDING FISCAL YEAR OR PRECEDING STATE FISCAL
4 YEAR, THE SUM OF:

5 (A) THE TOTAL AMOUNT APPROPRIATED IN THE ANNUAL GENERAL
6 APPROPRIATIONS ACT FOR THE PRECEDING FISCAL YEAR TO THE
7 GOVERNING BOARDS OF THE STATE INSTITUTIONS OF HIGHER EDUCATION
8 FOR FEE-FOR-SERVICE CONTRACTS DETERMINED PURSUANT TO SECTION
9 23-18-303.5, EXCLUDING AMOUNTS APPROPRIATED PURSUANT TO SECTION
10 23-18-303.5 (3), AND THE AMOUNT OF THE APPROPRIATION TO THE
11 COLLEGE OPPORTUNITY FUND ESTABLISHED IN SECTION 23-18-202 FOR
12 STUDENT STIPENDS. THIS AMOUNT IS THE AMOUNT AS ENACTED DURING
13 THE LEGISLATIVE SESSION IN WHICH THE ACT WAS INITIALLY ADOPTED,
14 UNLESS OTHERWISE SPECIFIED IN A SUPPLEMENTAL APPROPRIATIONS ACT.

15 (B) APPROPRIATIONS PURSUANT TO SECTIONS 23-18-202 AND
16 23-18-303.5, EXCLUDING AMOUNTS APPROPRIATED PURSUANT TO SECTION
17 23-18-303.5 (3), THAT WERE INCLUDED IN ACTS OTHER THAN THE ANNUAL
18 GENERAL APPROPRIATIONS ACT FOR THE PRECEDING FISCAL YEAR THAT
19 WERE ENACTED DURING THE SAME LEGISLATIVE SESSION AS THE ANNUAL
20 GENERAL APPROPRIATIONS ACT, UNLESS THE ACT OTHERWISE SPECIFIES.

21 (II) FOR THE APPLICABLE FISCAL YEAR OR APPLICABLE STATE
22 FISCAL YEAR, THE TOTAL AMOUNT APPROPRIATED IN THE ANNUAL
23 GENERAL APPROPRIATIONS ACT FOR THE FISCAL YEAR TO THE GOVERNING
24 BOARDS OF THE STATE INSTITUTIONS OF HIGHER EDUCATION FOR
25 FEE-FOR-SERVICE CONTRACTS DETERMINED PURSUANT TO SECTION
26 23-18-303.5, EXCLUDING AMOUNTS APPROPRIATED PURSUANT TO SECTION
27 23-18-303.5 (2) AND (3), AND THE AMOUNT OF THE APPROPRIATION TO THE

1 COLLEGE OPPORTUNITY FUND ESTABLISHED IN SECTION 23-18-202 FOR
2 STUDENT STIPENDS. THIS AMOUNT INCLUDES ONLY THE AMOUNTS
3 ENACTED IN THE ANNUAL GENERAL APPROPRIATIONS ACT AS INITIALLY
4 ENACTED, UNLESS A SUPPLEMENTAL APPROPRIATIONS ACT OR ANOTHER
5 ACT OTHERWISE SPECIFIES. THE TOTAL STATE APPROPRIATION FOR THE
6 APPLICABLE FISCAL YEAR EXCLUDES ANY OUT-YEAR COSTS OR SAVINGS
7 FROM LEGISLATION ADOPTED IN PREVIOUS YEARS THAT THE GENERAL
8 ASSEMBLY DETERMINES WERE NOT ACCOUNTED FOR IN THE PRECEDING
9 FISCAL YEAR'S APPROPRIATIONS.

10 (b) (I) NOTWITHSTANDING THE PROVISIONS OF THIS SUBSECTION
11 (22), FOR THE 2021-22 STATE FISCAL YEAR, IN CALCULATING THE
12 PERCENTAGE CHANGE IN THE TOTAL STATE APPROPRIATION FOR THE
13 APPLICABLE STATE FISCAL YEAR FROM THE PRECEDING STATE FISCAL
14 YEAR, THE TOTAL STATE APPROPRIATION FOR THE PRECEDING STATE
15 FISCAL YEAR HAS THE SAME MEANING AS SET FORTH IN SUBSECTION
16 (21)(a) OF THIS SECTION.

17 (II) THIS SUBSECTION (22)(b) IS REPEALED, EFFECTIVE JULY 1,
18 2022.

19 **SECTION 3.** In Colorado Revised Statutes, 23-18-303, **amend**
20 (1); and **add** (9) as follows:

21 **23-18-303. Fee-for-service contracts - authorization -**
22 **performance funding - repeal.** (1) For the 2015-16 state fiscal year ~~and~~
23 ~~each fiscal year thereafter~~ THROUGH THE 2020-21 STATE FISCAL YEAR, the
24 governing board of a state institution of higher education may annually
25 negotiate a fee-for-service contract with the department PURSUANT TO
26 THIS SECTION for the delivery of higher education services by the
27 institution for the benefit of the state and its residents. Specialty education

1 programs, area technical colleges, and local district colleges are funded
2 pursuant to the provisions of section 23-18-304.

3 (9) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2021.

4 **SECTION 4.** In Colorado Revised Statutes, **add** 23-18-303.5 as
5 follows:

6 **23-18-303.5 Fee-for-service contracts - authorization -**
7 **performance funding - repeal.** (1) (a) FOR THE 2021-22 STATE FISCAL
8 YEAR AND EACH STATE FISCAL YEAR THEREAFTER, THE GOVERNING BOARD
9 OF A STATE INSTITUTION OF HIGHER EDUCATION MAY ANNUALLY
10 NEGOTIATE A FEE-FOR-SERVICE CONTRACT WITH THE DEPARTMENT
11 PURSUANT TO THIS SECTION FOR THE DELIVERY OF HIGHER EDUCATION
12 SERVICES BY THE INSTITUTION FOR THE BENEFIT OF THE STATE AND ITS
13 RESIDENTS. SPECIALTY EDUCATION PROGRAMS, AREA TECHNICAL
14 COLLEGES, AND LOCAL DISTRICT COLLEGES ARE FUNDED PURSUANT TO
15 THE PROVISIONS OF SECTION 23-18-304.

16 (b) EACH GOVERNING BOARD'S ANNUAL FEE-FOR-SERVICE
17 CONTRACT INCLUDES THE AMOUNT OF FUNDING APPROPRIATED TO THE
18 GOVERNING BOARD PURSUANT TO THIS SECTION, PLUS ANY AMOUNT
19 APPROPRIATED TO THE GOVERNING BOARD PURSUANT TO SECTIONS
20 23-18-304 AND 23-18-308, MINUS THE AMOUNT OF FUNDING
21 APPROPRIATED TO THE GOVERNING BOARD FOR COLLEGE OPPORTUNITY
22 FUND STIPENDS PURSUANT TO SECTION 23-18-202.

23 (2) **Ongoing additional funding.** PRIOR TO CALCULATING
24 PERFORMANCE FUNDING RECOMMENDATIONS PURSUANT TO SUBSECTION
25 (4) OF THIS SECTION, THE COMMISSION, IN CONJUNCTION WITH THE
26 DEPARTMENT AND IN COLLABORATION WITH THE GOVERNING BOARDS,
27 MAY RECOMMEND AN ADDITIONAL AMOUNT OF FUNDING PURSUANT TO

1 THIS SUBSECTION (2) FOR AN INSTITUTION, WHICH AMOUNT IS ONGOING
2 BASE FUNDING FOR THE RECEIVING INSTITUTION AND IS INCLUDED IN THE
3 CALCULATION OF FUNDING PURSUANT TO THIS PART 3 IN SUBSEQUENT
4 STATE FISCAL YEARS. THE COMMISSION MAY RECOMMEND AN ADDITIONAL
5 AMOUNT OF FUNDING FOR THE FOLLOWING PURPOSES:

6 (a) TO INCREASE APPROPRIATIONS OVER THE PREVIOUS STATE
7 FISCAL YEAR IN ORDER TO MAKE PROGRESS TOWARD MASTER PLAN GOALS,
8 WHICH MAY INCLUDE ADDRESSING BASE FUNDING DISPARITIES OR FUNDING
9 PRIORITIES NOT ADDRESSED THROUGH THE PERFORMANCE FUNDING
10 METRICS. THE COMMISSION SHALL FOCUS ITS RECOMMENDATIONS ON
11 BROAD INSTITUTIONAL, SYSTEMWIDE, OR STATE POLICY GOALS.

12 (b) (I) TO RECOGNIZE AN INSTITUTION'S ADDITIONAL COSTS
13 RELATED TO OR ASSOCIATED WITH EDUCATING AND PROVIDING SERVICES
14 TO RESIDENT FIRST-GENERATION UNDERGRADUATE STUDENTS.

15 (II) IF THE COMMISSION RECOMMENDS ADDITIONAL FUNDING FOR
16 AN INSTITUTION OR INSTITUTIONS PURSUANT TO THIS SUBSECTION (2)(b),
17 FUNDING IS CALCULATED FOR AN INSTITUTION BY DIVIDING THE
18 INSTITUTION'S RESIDENT FIRST-GENERATION UNDERGRADUATE STUDENT
19 HEAD COUNT, BASED ON THE MOST RECENT CENSUS DATA COLLECTED BY
20 THE DEPARTMENT PURSUANT TO SECTION 23-18-302 (12)(b), BY THE
21 INSTITUTION'S OVERALL RESIDENT UNDERGRADUATE STUDENT
22 POPULATION HEAD COUNT FROM THE FALL CENSUS, AND THEN
23 MULTIPLYING THE QUOTIENT BY THE INSTITUTION'S RESIDENT
24 FIRST-GENERATION UNDERGRADUATE STUDENT HEAD COUNT, RESULTING
25 IN THE INSTITUTION'S "CALIBRATED FIRST-GENERATION UNDERGRADUATE
26 STUDENT HEAD COUNT". AN INSTITUTION'S PERCENTAGE SHARE OF
27 ADDITIONAL FUNDING PURSUANT TO THIS SUBSECTION (2)(b) IS THEN

1 DETERMINED BY DIVIDING THE INSTITUTION'S CALIBRATED
2 FIRST-GENERATION UNDERGRADUATE STUDENT HEAD COUNT BY THE SUM
3 OF THE CALIBRATED FIRST-GENERATION UNDERGRADUATE STUDENT HEAD
4 COUNTS FOR ALL INSTITUTIONS THAT RECEIVE ADDITIONAL FUNDING
5 PURSUANT TO THIS SUBSECTION (2)(b).

6 (3) **Temporary additional funding.** AFTER CALCULATING
7 FUNDING RECOMMENDATIONS PURSUANT TO SUBSECTIONS (2) AND (4) OF
8 THIS SECTION, THE COMMISSION, IN CONJUNCTION WITH THE DEPARTMENT
9 AND IN COLLABORATION WITH THE GOVERNING BOARDS, MAY
10 RECOMMEND AN ADDITIONAL AMOUNT OF TEMPORARY FUNDING
11 PURSUANT TO THIS SUBSECTION (3) FOR AN INSTITUTION FOR PURPOSES OF
12 MAKING PROGRESS TOWARD GOALS IDENTIFIED IN THE SYSTEMWIDE
13 MASTER PLANNING PROCESS SET FORTH IN SECTION 23-1-108 OR OTHER
14 AREAS AS IDENTIFIED BY THE COMMISSION. ADDITIONAL FUNDING
15 RECEIVED PURSUANT TO THIS SUBSECTION (3) MUST BE ALLOCATED FOR A
16 SPECIFIC PERIOD OF TIME, IS NOT ONGOING BASE FUNDING, AND IS NOT
17 INCLUDED IN THE CALCULATION OF FUNDING PURSUANT TO THIS PART 3 IN
18 SUBSEQUENT STATE FISCAL YEARS OR IN THE CALCULATION OF THE TOTAL
19 STATE APPROPRIATION MADE PURSUANT TO THIS PART 3.

20 (4) **Performance funding metrics.** (a) AFTER CALCULATING
21 FUNDING RECOMMENDATIONS PURSUANT TO SUBSECTION (2) OF THIS
22 SECTION, THE COMMISSION, IN CONJUNCTION WITH THE DEPARTMENT AND
23 IN COLLABORATION WITH THE GOVERNING BOARDS, SHALL CALCULATE
24 PERFORMANCE FUNDING FOR EACH GOVERNING BOARD BASED ON THE
25 RATE OF CHANGE OVER TIME IN THE PERFORMANCE OF THE INSTITUTIONS
26 OVERSEEN BY THE GOVERNING BOARD ON THE PERFORMANCE FUNDING
27 METRICS SPECIFIED IN SUBSECTION (4)(b) OF THIS SECTION. THE

1 RECOMMENDATION FOR PERFORMANCE FUNDING MAY REFLECT A CHANGE
2 IN THE TOTAL STATE APPROPRIATION, LESS THE AMOUNT APPROPRIATED
3 PURSUANT TO SUBSECTION (3) OF THIS SECTION, FROM THE PRECEDING
4 STATE FISCAL YEAR.

- 5 (b) THE PERFORMANCE FUNDING METRICS INCLUDE:
- 6 (I) RESIDENT STUDENT FULL-TIME EQUIVALENT ENROLLMENT;
 - 7 (II) CREDENTIAL COMPLETION;
 - 8 (III) RESIDENT PELL-ELIGIBLE STUDENT POPULATION SHARE;
 - 9 (IV) RESIDENT UNDERREPRESENTED MINORITY STUDENT
10 POPULATION SHARE;
 - 11 (V) RETENTION RATE;
 - 12 (VI) ONE-HUNDRED-PERCENT-OF-TIME GRADUATION RATE;
 - 13 (VII) ONE-HUNDRED-FIFTY-PERCENT-OF-TIME GRADUATION RATE;
 - 14 AND
 - 15 (VIII) RESIDENT FIRST-GENERATION UNDERGRADUATE STUDENT
16 POPULATION SHARE.

17 (c) (I) BEGINNING WITH THE 2021-22 STATE FISCAL YEAR, IN
18 PREPARING BUDGET RECOMMENDATIONS, THE COMMISSION, IN
19 CONJUNCTION WITH THE DEPARTMENT AND IN COLLABORATION WITH THE
20 GOVERNING BOARDS, MAY ANNUALLY IDENTIFY THE PORTION OF TOTAL
21 PERFORMANCE FUNDING THAT IS ALLOCATED TO EACH PERFORMANCE
22 FUNDING METRIC SPECIFIED IN SUBSECTION (4)(b) OF THIS SECTION.

23 (II) FOR THE 2021-22 STATE FISCAL YEAR AND EACH STATE FISCAL
24 YEAR THEREAFTER, THE JOINT BUDGET COMMITTEE, AFTER CONSIDERING
25 THE COMMISSION'S BUDGET RECOMMENDATIONS, SHALL DETERMINE THE
26 PORTION OF TOTAL PERFORMANCE FUNDING FOR THE APPLICABLE STATE
27 FISCAL YEAR THAT IS ALLOCATED TO EACH PERFORMANCE FUNDING

1 METRIC SPECIFIED IN SUBSECTION (4)(b) OF THIS SECTION. EACH
2 GOVERNING BOARD'S SHARE OF THE FUNDING ALLOCATED FOR EACH
3 PERFORMANCE FUNDING METRIC IS DETERMINED USING THE CALCULATION
4 SET FORTH IN SUBSECTION (5) OF THIS SECTION.

5 (5) **Performance funding calculation.** (a) THE AMOUNT OF
6 PERFORMANCE FUNDING THAT A GOVERNING BOARD RECEIVES FOR EACH
7 PERFORMANCE FUNDING METRIC SPECIFIED IN SUBSECTION (4)(b) OF THIS
8 SECTION IS BASED ON THE RATE OF CHANGE OVER TIME IN THE
9 PERFORMANCE OF THE INSTITUTIONS OVERSEEN BY THE GOVERNING
10 BOARD ON THE PERFORMANCE FUNDING METRIC. THE RATE OF CHANGE
11 FOR EACH PERFORMANCE FUNDING METRIC IS CALCULATED ANNUALLY FOR
12 A GOVERNING BOARD BY DIVIDING THE AVERAGE OF THE FOUR MOST
13 RECENT YEARS OF ACTUAL DATA REPORTED BY THE GOVERNING BOARD
14 FOR THE METRIC BY THE AVERAGE OF THE THREE OLDEST OF THE FOUR
15 YEARS OF ACTUAL DATA REPORTED BY THE GOVERNING BOARD FOR THE
16 METRIC. THE RATE OF CHANGE FOR THE PERFORMANCE FUNDING METRIC
17 IS THEN MULTIPLIED BY EACH GOVERNING BOARD'S ROLE AND MISSION
18 SHARE, RESULTING IN THE "GOVERNING BOARD ROLE AND MISSION
19 ADJUSTED SHARE" FOR THE PERFORMANCE FUNDING METRIC. THE TOTAL
20 OF THE GOVERNING BOARD ROLE AND MISSION ADJUSTED SHARES FOR ALL
21 GOVERNING BOARDS IS THE "TOTAL ROLE AND MISSION ADJUSTED SHARE"
22 FOR THE PERFORMANCE FUNDING METRIC. EACH GOVERNING BOARD'S
23 ALLOCATION FOR THE PERFORMANCE FUNDING METRIC IS THEN
24 DETERMINED BY DIVIDING THE GOVERNING BOARD'S ROLE AND MISSION
25 ADJUSTED SHARE FOR THE PERFORMANCE FUNDING METRIC BY THE TOTAL
26 ROLE AND MISSION ADJUSTED SHARE FOR THE PERFORMANCE FUNDING
27 METRIC, ENSURING THAT THE TOTAL AMOUNT OF FUNDING DISTRIBUTED

1 THROUGH THE PERFORMANCE FUNDING METRIC DOES NOT EXCEED THE
2 AMOUNT OF FUNDING ALLOCATED FOR THE PERFORMANCE FUNDING
3 METRIC.

4 (b) (I) NOTWITHSTANDING THE PROVISIONS OF SUBSECTION (5)(a)
5 OF THIS SECTION TO THE CONTRARY, FOR PURPOSES OF APPROPRIATIONS
6 FOR THE 2021-22 THROUGH 2024-25 STATE FISCAL YEARS, AN
7 INSTITUTION'S RATE OF CHANGE IN PERFORMANCE FOR PURPOSES OF THE
8 PERFORMANCE FUNDING METRIC SPECIFIED IN SUBSECTION (4)(b)(VIII) OF
9 THIS SECTION IS BASED ON THE PERCENTAGE CHANGE IN THE
10 FIRST-GENERATION STUDENT HEAD COUNT FROM ONE YEAR TO THE NEXT
11 USING THE INSTITUTION'S DEFINITION OF A FIRST-GENERATION STUDENT,
12 SO LONG AS THE DEFINITION IS CONSISTENT FOR BOTH STATE FISCAL YEARS
13 USED IN THE CALCULATION. THE DEPARTMENT SHALL CALCULATE EACH
14 INSTITUTION'S RATE OF CHANGE IN PERFORMANCE FOR THE PERFORMANCE
15 FUNDING METRIC SPECIFIED IN SUBSECTION (4)(b)(VIII) OF THIS SECTION
16 USING:

17 (A) THE MOST RECENT TWO YEARS OF AVAILABLE, ACTUAL
18 END-OF-FALL-TERM ENROLLMENT DATA REPORTED BY THE GOVERNING
19 BOARD TO THE DEPARTMENT; AND

20 (B) THE LESSER OF THE ACTUAL YEAR-TO-YEAR PERCENTAGE
21 CHANGE IN THE FIRST-GENERATION STUDENT HEAD COUNT OR TWO AND
22 ONE-HALF PERCENT.

23 (II) FOR EACH OF THE STATE FISCAL YEARS 2021-22 THROUGH
24 2024-25, THE COMMISSION MAY RECOMMEND, AND THE JOINT BUDGET
25 COMMITTEE MAY ADOPT, A CHANGE TO THE TWO AND ONE-HALF PERCENT
26 LIMITATION ON THE RATE OF CHANGE SPECIFIED IN SUBSECTION
27 (5)(b)(I)(B) OF THIS SECTION.

1 (III) THIS SUBSECTION (5)(b) IS REPEALED, EFFECTIVE JULY 1,
2 2025.

3 (6) THE AMOUNT OF ANY CHANGE IN FUNDING APPROPRIATED TO
4 A GOVERNING BOARD FOR THE STATE FISCAL YEAR PURSUANT TO
5 SUBSECTION (2) OR (3) OF THIS SECTION IS NOT INCLUDED IN CALCULATING
6 THE PERCENTAGE CHANGE IN THE TOTAL STATE APPROPRIATION FOR THE
7 APPLICABLE STATE FISCAL YEAR FOR PURPOSES OF SECTION 23-18-304.

8 (7) WHEN REQUESTING OR DETERMINING A CHANGE IN
9 PERFORMANCE FUNDING PURSUANT TO SUBSECTION (4) OF THIS SECTION
10 AND TUITION SPENDING AUTHORITY FOR GOVERNING BOARDS, THE
11 DEPARTMENT AND THE JOINT BUDGET COMMITTEE SHALL CONSIDER, AT A
12 MINIMUM, COST INCREASES TO BASE FUNDING AT ALL INSTITUTIONS,
13 INCLUDING THOSE RELATED TO COMMON POLICIES ANNUALLY SUBMITTED
14 IN THE GOVERNOR'S NOVEMBER 1 BUDGET REQUEST AND ADOPTED BY THE
15 JOINT BUDGET COMMITTEE, AND THE COMMISSION'S MASTER PLAN GOALS.

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

24 (9) NOTHING IN THIS PART 3 PRECLUDES A GOVERNING BOARD,
25 LOCAL DISTRICT COLLEGE, OR AREA TECHNICAL COLLEGE FROM MAKING
26 A FUNDING REQUEST TO THE COMMISSION.

27 **SECTION 5.** In Colorado Revised Statutes, 23-18-305, **add** (6)

1 as follows:

2 **23-18-305. Total appropriations - adjustments - fiscal**
3 **emergency - resolution - financial hardship - repeal.** (6) THIS SECTION
4 IS REPEALED, EFFECTIVE JULY 1, 2021.

5 **SECTION 6.** In Colorado Revised Statutes, **repeal and reenact,**
6 **with amendments,** 23-18-306 as follows:

7 **23-18-306. Duties and powers of the commission - budget**
8 **provisions - periodic review of funding formula - report.** (1) (a) FOR
9 THE 2021-22 STATE FISCAL YEAR AND EACH STATE FISCAL YEAR
10 THEREAFTER, THE DEPARTMENT AND COMMISSION SHALL SUBMIT A
11 BUDGET REQUEST BY NOVEMBER 1 OF EACH YEAR THAT INCLUDES:

12 (I) A DETAILED DESCRIPTION OF REQUESTS FOR ADDITIONAL
13 ONGOING AND TEMPORARY FUNDING PURSUANT TO SECTION 23-18-303.5
14 (2) AND (3) AND RECOMMENDATIONS FOR ADDITIONAL FUNDING, IF ANY;
15 AND

16 (II) RECOMMENDATIONS FOR:

17 (A) CHANGES IN THE AMOUNT OF PERFORMANCE FUNDING
18 PURSUANT TO SECTION 23-18-303.5 (4), IF ANY;

19 (B) THE PERCENTAGE ALLOCATION OF PERFORMANCE FUNDING
20 AMONG THE PERFORMANCE FUNDING METRICS SPECIFIED IN SECTION
21 23-18-303.5 (4)(b);

22 (C) ADDITIONAL FUNDING FOR FEE-FOR-SERVICE CONTRACTS
23 PURSUANT TO SECTION 23-18-304, IF ANY; AND

24 (D) TUITION SPENDING AUTHORITY FOR THE STATE INSTITUTIONS
25 OF HIGHER EDUCATION.

26 (b) THE DEPARTMENT'S AND COMMISSION'S BUDGET MUST
27 INCLUDE:

1 (I) A DETAILED CALCULATION OF THE FUNDING RECOMMENDED
2 FOR EACH GOVERNING BOARD, LOCAL DISTRICT COLLEGE, AND AREA
3 TECHNICAL COLLEGE PURSUANT TO SECTIONS 23-18-303.5, 23-18-304,
4 AND 23-18-308, AS APPLICABLE; AND

5 (II) A DOCUMENT, DEVELOPED IN COLLABORATION WITH THE
6 GOVERNING BOARDS, LOCAL DISTRICT COLLEGES, AND AREA TECHNICAL
7 COLLEGES, THAT IDENTIFIES THE ANNUAL CHANGE IN FUNDING RECEIVED
8 BY ALL INSTITUTIONS PURSUANT TO SECTION 23-18-303.5 (2) AND
9 CLEARLY AND SEPARATELY IDENTIFIES THE ANNUAL CHANGE IN FUNDING
10 ALLOCATED TO EACH GOVERNING BOARD, LOCAL DISTRICT COLLEGE, AND
11 AREA TECHNICAL COLLEGE PURSUANT TO SECTION 23-18-304.

12 (c) THE DEPARTMENT AND COMMISSION SHALL COMPLY WITH THE
13 REQUIREMENTS OF THIS PART 3 IN SUBMITTING THEIR BUDGET REQUEST
14 PURSUANT TO THE BUDGET PROCEDURES SPECIFIED IN PART 3 OF ARTICLE
15 37 OF TITLE 24.

16 (2) (a) COMMENCING IN 2026 AND EVERY FIVE YEARS
17 THEREAFTER, THE COMMISSION SHALL REVIEW THE FUNDING FORMULA
18 ESTABLISHED PURSUANT TO THIS PART 3 AND BY NOVEMBER 1, 2026, AND
19 BY NOVEMBER 1 EVERY FIVE YEARS THEREAFTER, SUBMIT A REPORT TO
20 THE GOVERNOR, THE JOINT BUDGET COMMITTEE OF THE GENERAL
21 ASSEMBLY, AND THE EDUCATION COMMITTEES OF THE SENATE AND THE
22 HOUSE OF REPRESENTATIVES, OR ANY SUCCESSOR COMMITTEES,
23 CONTAINING PROPOSED CHANGES TO THE FUNDING FORMULA AND ANY
24 RECOMMENDATIONS FOR LEGISLATIVE CHANGES.

25 (b) IN CONDUCTING THE REVIEW REQUIRED BY SUBSECTION (2)(a)
26 OF THIS SECTION, THE COMMISSION AND THE DEPARTMENT MAY:

27 (I) CONVENE ONE OR MORE MEETINGS WITH INTERESTED PARTIES

1 TO DISCUSS THE EXISTING FUNDING MODEL AND TO LEARN OF ISSUES
2 RAISED BY THE INTERESTED PARTIES;

3 (II) CONDUCT AN ANALYSIS OF THE ISSUES IDENTIFIED BY
4 INTERESTED PARTIES AND POSSIBLE SOLUTIONS;

5 (III) ENGAGE DIRECTLY WITH THE INSTITUTIONS TO STRIVE FOR
6 CONSENSUS AMONG THE INSTITUTIONS ON ANY PROPOSED CHANGES; AND

7 (IV) IF APPLICABLE, DEVELOP A SET OF CHANGES TO RECOMMEND
8 TO THE GOVERNOR AND COMMITTEES OF THE GENERAL ASSEMBLY AS
9 DESCRIBED IN SUBSECTION (2)(a) OF THIS SECTION.

10 (c) NOTWITHSTANDING THE PROVISIONS OF SECTION 24-1-136
11 (11)(a)(I), THE REPORTING REQUIREMENT REQUIRED IN THIS SUBSECTION
12 (2) CONTINUES INDEFINITELY.

13 (3) THE COMMISSION SHALL ADOPT ANY POLICIES OR PROCEDURES
14 NECESSARY FOR THE UNIFORM APPLICATION AND IMPLEMENTATION OF
15 THIS PART 3.

16 (4) THE COMMISSION, IN CONJUNCTION WITH THE DEPARTMENT
17 AND IN COLLABORATION WITH THE GOVERNING BOARDS, SHALL IDENTIFY
18 AND MAKE RECOMMENDATIONS CONCERNING WAYS TO BETTER MEASURE
19 THE SUCCESS OF STUDENTS WHO ARE PURSUING A CREDENTIAL OR DEGREE
20 AND WHO ARE NOT INCLUDED IN THE FIRST-TIME, FULL-TIME STUDENT
21 COHORT. ON OR BEFORE JULY 1, 2022, THE COMMISSION SHALL SUBMIT ITS
22 RECOMMENDATIONS TO THE JOINT BUDGET COMMITTEE, WHICH MAY
23 INCLUDE A RECOMMENDATION FOR A STATUTORY CHANGE TO THE
24 CALCULATION OF ONE OF THE GRADUATION RATE PERFORMANCE FUNDING
25 METRICS SPECIFIED IN SECTION 23-18-303.5 (4)(b).

26 **SECTION 7.** In Colorado Revised Statutes, 23-1-108, **amend**
27 (1.5)(f)(I)(A) as follows:

1 **23-1-108. Duties and powers of the commission with regard to**
2 **systemwide planning - reporting - definitions.** (1.5) (f) (I) (A) The
3 commission, in collaboration with the public institutions of higher
4 education, shall ensure that the master plan is implemented through the
5 public institutions of higher education, including through funding
6 allocated pursuant to part 3 of article 18 of this title 23 and section
7 23-41-104.6. The department shall submit a budget request pursuant to
8 ~~section 23-18-307~~ SECTION 23-18-306 that supports master plan goals.

9 **SECTION 8.** In Colorado Revised Statutes, 23-18-307, **amend**
10 (3) introductory portion; and **add** (5) as follows:

11 **23-18-307. Budget provisions - reporting - repeal.** (3) For the
12 2016-17 state fiscal year ~~and each fiscal year thereafter~~ THROUGH THE
13 2020-21 STATE FISCAL YEAR, the department and the commission shall
14 submit a budget request by November 1 of each year that includes:

15 (5) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2021.

16 **SECTION 9.** In Colorado Revised Statutes, 23-1-104, **amend**
17 (1)(b)(I) and (1)(c) introductory portion as follows:

18 **23-1-104. Financing the system of postsecondary education -**
19 **report.** (1) (b) (I) For the 2010-11 fiscal year and for fiscal years
20 beginning on or after July 1, 2016, the general assembly shall make
21 annual appropriations of general fund ~~moneys~~ MONEY, of cash funds
22 received from tuition income, and of ~~moneys~~ MONEY that ~~are~~ IS estimated
23 to be received by an institution, under the direction and control of the
24 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 23-18-303 OR 23-18-303.5, WHICHEVER IS APPLICABLE, as a single
27 line item to each governing board for the operation of its campuses;

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

8 (c) In addition to any appropriations made pursuant to ~~paragraph~~
9 ~~(a) or (b) of this subsection (1)~~ SUBSECTION (1)(a) OR (1)(b) OF THIS
10 SECTION, the general assembly may make annual appropriations of
11 general fund ~~moneys~~ MONEY and of ~~moneys~~ MONEY received pursuant to
12 a fee-for-service contract negotiated by the board of governors of the
13 Colorado state university system and the department of higher education,
14 as described in section 23-18-303 OR 23-18-303.5, WHICHEVER IS
15 APPLICABLE, as separate line items to:

16 **SECTION 10.** In Colorado Revised Statutes, 23-1-109.7, **amend**
17 (2) and (3) as follows:

18 **23-1-109.7. Duties and powers of the commission with regard**
19 **to the provision of educational services.** (2) Beginning July 1, 2005, the
20 commission is responsible for ensuring the provision of postsecondary
21 educational services pursuant to part 3 of article 18 of this title 23. The
22 department of higher education on behalf of the commission shall
23 annually enter into fee-for-service contracts with one or more governing
24 boards of institutions of higher education pursuant to ~~section 23-18-303~~
25 SECTION 23-18-303.5 to provide the higher education services specified
26 in section 23-18-301.

27 (3) The commission shall make annual funding recommendations

1 to the general assembly and the governor regarding the funding necessary
2 for the department of higher education to contract on the commission's
3 behalf for the provision of higher education services in the state,
4 including but not limited to the services specified in sections 23-18-301
5 and ~~23-18-303~~ **23-18-303.5** The general assembly shall annually
6 appropriate to the commission an amount of general fund ~~moneys~~ MONEY
7 to carry out the purposes of this section.

8 **SECTION 11.** In Colorado Revised Statutes, 23-18-102, **amend**
9 (12) as follows:

10 **23-18-102. Definitions.** As used in parts 1 and 2 of this article 18,
11 unless the context otherwise requires:

12 (12) "Student's share of in-state tuition" means ~~except as provided~~
13 ~~in section 23-18-303 (8)~~, the amount of total in-state tuition, less any
14 amount paid on behalf of the student as a stipend.

15 **SECTION 12.** In Colorado Revised Statutes, 23-18-202, **amend**
16 (1)(c) and (9) as follows:

17 **23-18-202. College opportunity fund - appropriations -**
18 **payment of stipends - reimbursement - report.** (1) (c) If there ~~are~~
19 ~~moneys~~ IS MONEY remaining in the college opportunity fund or if there
20 ~~are~~ IS insufficient ~~moneys~~ MONEY in the college opportunity fund after the
21 final census date of the last academic term of each state fiscal year, as
22 determined in accordance with this section, the department may transfer
23 up to ten percent of the annual total governing board appropriation for the
24 institution between the cash spending authority for the governing board
25 to expend stipends received on behalf of eligible undergraduate students
26 and a fee-for-service contract for the governing board entered into
27 pursuant to sections 23-1-109.7, ~~23-18-303~~ **23-18-303.5**, and 23-18-304

1 (1).

2 (9) It is the intent of the general assembly that the college
3 opportunity fund and fee-for-service contracts authorized pursuant to
4 ~~section 23-18-303~~ SECTION 23-18-303.5 be fully funded for enrollment
5 growth.

6 **SECTION 13.** In Colorado Revised Statutes, 23-18-304, **amend**
7 (3)(c) as follows:

8 **23-18-304. Funding for specialty education programs - area**
9 **technical colleges - local district colleges.** (3) (c) Colorado mountain
10 college may elect to participate in the funding provisions specified in
11 ~~section 23-18-303~~ SECTION 23-18-303.5 in lieu of the funding provisions
12 specified in ~~paragraphs (a) and (b) of this subsection (3)~~ SUBSECTIONS
13 (3)(a) AND (3)(b) OF THIS SECTION. Colorado mountain college must
14 notify the commission by August 1 of its intention to participate in the
15 funding provisions specified in ~~section 23-18-303~~ SECTION 23-18-303.5
16 for the following state fiscal year. If Colorado mountain college elects to
17 participate in the funding provisions of ~~section 23-18-303~~ SECTION
18 23-18-303.5, the department shall apply the funding provisions of ~~section~~
19 ~~23-18-303~~ SECTION 23-18-303.5 to Colorado mountain college in the
20 same manner as they are applied to all other institutions, and Colorado
21 mountain college must receive levels of funding that are comparable to
22 the funding received by the governing boards in accordance with the
23 provisions of ~~section 23-18-303~~ SECTION 23-18-303.5.

24 **SECTION 14.** In Colorado Revised Statutes, 23-20-112, **amend**
25 (3)(a) as follows:

26 **23-20-112. General powers of the board - definitions.**
27 (3) (a) Notwithstanding any provision of law to the contrary, an

1 institution governed by the board of regents may use funding provided
2 pursuant to ~~section 23-18-303~~ SECTION 23-18-303.5 as financial
3 assistance for in-state students to reduce the student's share of in-state
4 tuition, as defined in section 23-18-102.

5 **SECTION 15.** In Colorado Revised Statutes, 23-20-138, **amend**
6 (6) as follows:

7 **23-20-138. Health sciences center - definitions - accountable**
8 **student program - creation.** (6) The fee-for-service contract negotiated
9 between the board and the department of higher education pursuant to
10 ~~section 23-18-303~~ shall SECTION 23-18-303.5 MUST specify the amount
11 of funding for educational services provided to graduate students by the
12 state of Colorado. A graduate student receiving educational services paid
13 for by the state of Colorado is not eligible to be an accountable student.

14 **SECTION 16.** In Colorado Revised Statutes, 23-41-104.7,
15 **amend** (1)(a) introductory portion as follows:

16 **23-41-104.7. Funding.** (1) (a) Beginning in the 2011-12 fiscal
17 year, the Colorado school of mines shall use a portion of its
18 fee-for-service funding negotiated pursuant to ~~section 23-18-303~~ SECTION
19 23-18-303.5 for the following purposes:

20 **SECTION 17.** In Colorado Revised Statutes, 24-1-114, **amend**
21 (5)(b) as follows:

22 **24-1-114. Department of higher education - creation.**
23 (5) (b) With respect to the Colorado commission on higher education and
24 the universities, colleges, and boards specified in subsection (4) of this
25 section, the executive director has only those powers, duties, and
26 functions prescribed in article 1 of title 23; except that the executive
27 director of the Colorado commission on higher education is authorized to

1 negotiate, implement, and monitor contracts, as described in sections
2 23-18-201 (2), ~~23-18-303~~ **23-18-303.5**, 23-18-304, and 23-41-104.6, with
3 universities, colleges, and boards, in consultation with the Colorado
4 commission on higher education.

5 **SECTION 18.** In Colorado Revised Statutes, 24-77-104.5,
6 **amend** (4)(a) introductory portion and (4)(a)(IV) as follows:

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

13 (IV) Fee-for-service contracts authorized pursuant to ~~section~~
14 ~~23-18-303, C.R.S.~~ **SECTION 23-18-303.5;**

15 **SECTION 19. Effective date.** This act takes effect upon passage;
16 except that sections 9 to 18 take effect July 1, 2021.

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