

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

ENGROSSED

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

LLS NO. 26-0473.01 Jacob Baus x2173

HOUSE BILL 26-1345

HOUSE SPONSORSHIP

McCluskie and Hamrick,

SENATE SPONSORSHIP

Coleman and Simpson,

House Committees
Education

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING HIGHER EDUCATION FUNDING, AND, IN CONNECTION**
102 **THEREWITH, IMPLEMENTING THE RECOMMENDATIONS IN THE**
103 **REPORT ON THE HIGHER EDUCATION FUNDING ALLOCATION**
104 **FORMULA.**

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>.)

The bill changes the higher education funding provisions, effective for the 2027-28 state fiscal year.

Under current law, a state institution of higher education's

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

HOUSE
2nd Reading Unamended
April 29, 2026

governing board's annual fee-for-service contract includes funding calculated based on 3 components: Ongoing additional funding, performance funding, and temporary additional funding. The bill:

- Changes the name of the funding from "performance funding" to "results-informed funding";
- Redefines some of the terms and metrics that are used to determine results-informed funding; and
- Reorders the components and eliminates current statutory language that requires sequential calculation of the components.

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

2 **SECTION 1.** In Colorado Revised Statutes, 23-18-302, **amend**
3 (4)(b), (8), (9), (10), (14), and (17); **repeal** (18); and **add** (2.5), (11.5),
4 and (21.5) as follows:

5 **23-18-302. Definitions - repeal.**

6 As used in this part 3, unless the context otherwise requires:

7 (2.5)(a) "CO-LOCATED DEGREE PARTNERSHIP" MEANS A PROGRAM
8 FORMALIZED BY A WRITTEN AGREEMENT BETWEEN TWO INSTITUTIONS IN
9 WHICH:

10 (I) A STUDENT IS ENROLLED AS A DEGREE-SEEKING STUDENT AT
11 THEIR HOME INSTITUTION IN A DEGREE PROGRAM THAT IS NOT OFFERED TO
12 COMPLETION AT THEIR HOME INSTITUTION;

13 (II) THE STUDENT SUBSEQUENTLY MATRICULATES AS A TRANSFER
14 AND DEGREE-SEEKING STUDENT AT A PARTNER INSTITUTION THAT OFFERS
15 THE DEGREE PROGRAM TO COMPLETION THAT THE STUDENT'S HOME
16 INSTITUTION DOES NOT OFFER TO COMPLETION; AND

17 (III) FOR A PERIOD OF TIME, AS DEFINED BY THE AGREEMENT
18 BETWEEN THE TWO INSTITUTIONS, THE STUDENT CONTINUES TO PRIMARILY
19 BE LOCATED AT THE HOME INSTITUTION'S CAMPUS, INCLUDING RECEIVING
20 INSTRUCTION, ACADEMIC SERVICES, LIBRARY ACCESS, OR STUDENT

1 SUPPORT SERVICES FROM THE HOME INSTITUTION.

2 (b) "CO-LOCATED DEGREE PARTNERSHIP" DOES NOT INCLUDE:

3 (I) AN ARTICULATION PATHWAY WITHOUT A CO-LOCATION
4 DELIVERY COMPONENT, INCLUDING A STATEWIDE, BILATERAL OR
5 MULTILATERAL TRANSFER AGREEMENT;

6 (II) GENERAL TRANSFER PARTNERSHIPS;

7 (III) CROSS-REGISTRATION OR COURSE-SHARING PARTNERSHIPS,
8 INCLUDING ONLINE-ONLY COURSE ARRANGEMENTS;

9 (IV) CONCURRENT OR DUAL ENROLLMENT WITHOUT A
10 CO-LOCATION DELIVERY COMPONENT; OR

11 (V) ANY PROGRAM IN A DEGREE PROGRAM THAT IS OFFERED TO
12 COMPLETION AT THE STUDENT'S HOME INSTITUTION.

13 (c) THE DEPARTMENT SHALL ENSURE THAT THE GOVERNING
14 BOARDS COLLECT AND REPORT THE DATA IN A CONSISTENT MANNER.

15 (4) "Credential completion" means the calculation of student
16 credential completion by a governing board based on equal weighting of
17 the total resident student completions of postsecondary credentials in a
18 given state fiscal year. The credential completion calculation includes:

19 (b) Equal weighting for a resident student who transfers out of an
20 institution ~~with a community college role and mission specified in statute,~~
21 after accumulating at least eighteen credit hours at the institution ~~in a~~
22 ~~two-year degree program~~ AND TRANSFERRING WITHIN THE NEXT
23 ACADEMIC YEAR INTO ANOTHER INSTITUTION, AREA TECHNICAL COLLEGE,
24 OR LOCAL DISTRICT COLLEGE.

25 (8) "One-hundred-fifty-percent-of-time graduation rate" means,
26 for a four-year institution, the percentage of first-time, full-time,
27 degree-seeking undergraduate students starting in the fall term and

1 graduating within six years with a bachelor's degree from the same
2 institution, and, for a two-year institution, the percentage of first-time,
3 full-time, associate degree-seeking or undergraduate certificate-seeking
4 students starting in the fall term and completing their declared program
5 within one hundred fifty percent of the normal time to completion, as
6 reported to the ~~integrated postsecondary education data system~~
7 ~~maintained by the federal department of education.~~ If the ~~integrated~~
8 ~~postsecondary education data system~~ does not include data for an
9 ~~institution or governing board~~ for prior state fiscal years, the department
10 shall use its available data, as reported by the governing board to the
11 department through the student-unit record database, in place of the
12 ~~missing integrated postsecondary education data system data~~
13 DEPARTMENT. The department shall ensure that the governing boards
14 collect and report the data in a consistent manner. A student may be
15 counted only once in a state fiscal year for purposes of this performance
16 RESULTS-INFORMED funding metric. STUDENTS ENROLLED IN A
17 CO-LOCATED DEGREE PARTNERSHIP ARE NOT INCLUDED IN THE COHORTS
18 THAT DETERMINE THE ONE-HUNDRED-FIFTY-PERCENT-OF-TIME
19 GRADUATION RATE.

20 (9) "One-hundred-percent-of-time graduation rate" means, for a
21 four-year institution, the percentage of first-time, full-time,
22 degree-seeking undergraduate students starting in the fall term and
23 graduating within four years with a bachelor's degree from the same
24 institution, and, for a two-year institution, the percentage of first-time,
25 full-time, associate degree-seeking or undergraduate certificate-seeking
26 students starting in the fall term and completing their declared program
27 within one hundred percent of the normal time to completion, as reported

1 to the ~~integrated postsecondary education data system maintained by the~~
2 ~~federal department of education. If the integrated postsecondary~~
3 ~~education data system does not include data for an institution or~~
4 ~~governing board for prior state fiscal years, the department shall use its~~
5 ~~available data, as reported by the governing board to the department~~
6 ~~through the student-unit record database, in place of the missing~~
7 ~~integrated postsecondary education data system data~~ DEPARTMENT. The
8 department shall ensure that the governing boards collect and report the
9 data in a consistent manner. A student may be counted only once in a
10 state fiscal year for purposes of this **performance** RESULTS-INFORMED
11 funding metric. STUDENTS ENROLLED IN A CO-LOCATED DEGREE
12 PARTNERSHIP ARE NOT INCLUDED IN THE COHORTS THAT DETERMINE THE
13 ONE-HUNDRED-PERCENT-OF-TIME GRADUATION RATE.

14 (10) ~~"Pell-eligible~~ "PELL-RECIPIENT student" means an
15 undergraduate student who ~~qualifies for~~ RECEIVES the federal Pell grant
16 or ~~for~~ a grant through a successor program.

17 (11.5) "PREVIOUS SHARE" MEANS THE PERCENTAGE SHARE OF
18 FUNDING APPROPRIATED TO EACH GOVERNING BOARD FROM THE TOTAL
19 AMOUNT APPROPRIATED IN THE PRECEDING STATE FISCAL YEAR PURSUANT
20 TO SECTIONS 23-18-202 AND 23-18-303.5, EXCLUDING THE AMOUNT
21 APPROPRIATED PURSUANT TO SECTION 23-18-303.5 (3).

22 (14) ~~"Resident Pell-eligible~~ PELL-RECIPIENT UNDERGRADUATE
23 student population share" means the resident ~~Pell-eligible~~ PELL-RECIPIENT
24 UNDERGRADUATE student head count as a percentage of the overall
25 resident UNDERGRADUATE student population head count, EXCLUDING
26 CONCURRENT ENROLLMENT, AS DEFINED IN SECTION 22-35-103, from the
27 end-of-term fall enrollment collected by the department.

1 (17) "Retention rate" means, for a four-year institution, the
2 percentage of first-time, full-time OR FIRST-TIME, PART-TIME
3 undergraduate students starting in the fall term and returning for their
4 second fall term at the same institution, and, for a two-year institution, the
5 percentage of first-time, full-time OR FIRST-TIME, PART-TIME associate
6 degree-seeking or undergraduate certificate-seeking students starting in
7 the fall term and either returning for or successfully completing their
8 declared program by the second fall term at the same institution, as
9 reported to the ~~integrated postsecondary education data system~~
10 ~~maintained by the federal department of education. If the integrated~~
11 ~~postsecondary education data system does not include data for an~~
12 ~~institution or governing board for prior state fiscal years, the department~~
13 ~~shall use its available data, as reported by the governing board to the~~
14 ~~department through the student-unit record database, in place of the~~
15 ~~missing integrated postsecondary education data system data~~
16 DEPARTMENT. The department shall ensure that the governing boards
17 collect and report the data in a consistent manner. A student may be
18 counted only once in a state fiscal year for purposes of this performance
19 RESULTS-INFORMED funding metric.

20 (18) (a) ~~"Role and mission share" means the percentage share of~~
21 ~~funding appropriated to each governing board of the total amount~~
22 ~~appropriated in the preceding state fiscal year pursuant to sections~~
23 ~~23-18-202 and 23-18-303.5, excluding the amount appropriated pursuant~~
24 ~~to section 23-18-303.5 (3).~~

25 (b) ~~Repealed.~~

26 (21.5) "TOTAL PREVIOUS ADJUSTED SHARE" MEANS THE TOTAL OF
27 THE PREVIOUS ADJUSTED SHARES FOR ALL GOVERNING BOARDS, AS

1 DESCRIBED IN SECTION 23-18-303.5 (1.5)(c).

2 **SECTION 2.** In Colorado Revised Statutes, 23-18-303.5, **amend**
3 (1)(a), (2) introductory portion, (2)(a), (3), and (7); **repeal** (4), (5), and
4 (8); and **add** (1.3) and (1.5) as follows:

5 **23-18-303.5. Fee-for-service contracts - authorization -**
6 **results-informed funding.**

7 (1) (a) For the ~~2021-22~~ 2027-28 state fiscal year and each state
8 fiscal year thereafter, the governing board of a state institution of higher
9 education may annually negotiate a fee-for-service contract with the
10 department pursuant to this section for the delivery of higher education
11 services by the institution for the benefit of the state and its residents.
12 Specialty education programs, area technical colleges, and local district
13 colleges are funded pursuant to the provisions of section 23-18-304.

14 (1.3) **Results-informed funding metrics.**

15 (a) THE COMMISSION, IN CONJUNCTION WITH THE DEPARTMENT
16 AND IN COLLABORATION WITH THE GOVERNING BOARDS, SHALL
17 CALCULATE RESULTS-INFORMED FUNDING FOR EACH GOVERNING BOARD
18 BASED ON THE RATE OF CHANGE OVER TIME IN THE PERFORMANCE OF THE
19 INSTITUTIONS OVERSEEN BY THE GOVERNING BOARD ON THE
20 RESULTS-INFORMED FUNDING METRICS SPECIFIED IN SUBSECTION (1.3)(b)
21 OF THIS SECTION. THE RECOMMENDATION FOR RESULTS-INFORMED
22 FUNDING MAY REFLECT A CHANGE IN THE TOTAL STATE APPROPRIATION,
23 LESS THE AMOUNT APPROPRIATED PURSUANT TO SUBSECTION (3) OF THIS
24 SECTION FROM THE PRECEDING STATE FISCAL YEAR.

25 (b) THE RESULTS-INFORMED FUNDING METRICS INCLUDE:

26 (I) RESIDENT STUDENT FULL-TIME EQUIVALENT ENROLLMENT;

27 (II) CREDENTIAL COMPLETION;

- 1 (III) RESIDENT PELL-RECIPIENT UNDERGRADUATE STUDENT
- 2 POPULATION SHARE;
- 3 (IV) RESIDENT UNDERREPRESENTED MINORITY STUDENT
- 4 POPULATION SHARE;
- 5 (V) RETENTION RATE;
- 6 (VI) ONE-HUNDRED-PERCENT-OF-TIME GRADUATION RATE;
- 7 (VII) ONE-HUNDRED-FIFTY-PERCENT-OF-TIME GRADUATION RATE;
- 8 AND
- 9 (VIII) RESIDENT FIRST-GENERATION UNDERGRADUATE STUDENT
- 10 POPULATION SHARE.

11 (c) (I) IN PREPARING ANNUAL BUDGET RECOMMENDATIONS, THE
12 COMMISSION, IN CONJUNCTION WITH THE DEPARTMENT AND IN
13 COLLABORATION WITH THE GOVERNING BOARDS, MAY ANNUALLY
14 IDENTIFY THE PORTION OF TOTAL RESULTS-INFORMED FUNDING THAT IS
15 ALLOCATED TO EACH RESULTS-INFORMED FUNDING METRIC SPECIFIED IN
16 SUBSECTION (1.3)(b) OF THIS SECTION.

17 (II) THE JOINT BUDGET COMMITTEE, AFTER CONSIDERING THE
18 COMMISSION'S ANNUAL BUDGET RECOMMENDATIONS, SHALL DETERMINE
19 THE PORTION OF TOTAL RESULTS-INFORMED FUNDING FOR THE APPLICABLE
20 STATE FISCAL YEAR THAT IS ALLOCATED TO EACH RESULTS-INFORMED
21 FUNDING METRIC SPECIFIED IN SUBSECTION (1.3)(b) OF THIS SECTION.
22 EACH GOVERNING BOARD'S SHARE OF THE FUNDING ALLOCATED FOR EACH
23 RESULTS-INFORMED FUNDING METRIC IS DETERMINED USING THE
24 CALCULATION SET FORTH IN SUBSECTION (1.5) OF THIS SECTION.

25 (1.5) **Results-informed funding - lever one.**

26 (a) THE AMOUNT OF RESULTS-INFORMED FUNDING THAT A
27 GOVERNING BOARD RECEIVES FOR EACH RESULTS-INFORMED FUNDING

1 METRIC SPECIFIED IN SUBSECTION (1.3)(b) OF THIS SECTION IS BASED ON
2 THE RATE OF CHANGE OVER TIME IN THE PERFORMANCE OF THE
3 INSTITUTIONS OVERSEEN BY THE GOVERNING BOARD ON THE
4 RESULTS-INFORMED FUNDING METRIC.

5 (b) THE RATE OF CHANGE FOR EACH RESULTS-INFORMED FUNDING
6 METRIC IS CALCULATED ANNUALLY FOR A GOVERNING BOARD BY DIVIDING
7 THE AVERAGE OF THE FOUR MOST RECENT YEARS OF ACTUAL DATA
8 REPORTED BY THE GOVERNING BOARD FOR THE RESULTS-INFORMED
9 FUNDING METRIC BY THE AVERAGE OF THE THREE OLDEST OF THE FOUR
10 YEARS OF ACTUAL DATA REPORTED BY THE GOVERNING BOARD FOR THE
11 RESULTS-INFORMED FUNDING METRIC.

12 (c) THE RATE OF CHANGE FOR THE RESULTS-INFORMED FUNDING
13 METRIC IS THEN MULTIPLIED BY EACH GOVERNING BOARD'S PREVIOUS
14 SHARE, RESULTING IN THE GOVERNING BOARD'S PREVIOUS ADJUSTED
15 SHARE FOR THE RESULTS-INFORMED FUNDING METRIC. THE TOTAL OF THE
16 PREVIOUS ADJUSTED SHARES FOR ALL GOVERNING BOARDS IS THE TOTAL
17 PREVIOUS ADJUSTED SHARE FOR THE RESULTS-INFORMED FUNDING
18 METRIC.

19 (d) EACH GOVERNING BOARD'S ALLOCATION FOR THE
20 RESULTS-INFORMED FUNDING METRIC IS DETERMINED BY DIVIDING THE
21 GOVERNING BOARD'S PREVIOUS ADJUSTED SHARE FOR THE
22 RESULTS-INFORMED FUNDING METRIC BY THE TOTAL PREVIOUS ADJUSTED
23 SHARE FOR THE RESULTS-INFORMED FUNDING METRIC, ENSURING THAT
24 THE TOTAL AMOUNT OF FUNDING DISTRIBUTED THROUGH THE
25 RESULTS-INFORMED FUNDING METRIC DOES NOT EXCEED THE AMOUNT OF
26 FUNDING ALLOCATED FOR THE RESULTS-INFORMED FUNDING METRIC.

27 (2) **Ongoing performance funding - lever two. Prior to**

1 calculating performance funding recommendations pursuant to subsection
2 ~~(4) of this section~~; The commission, in conjunction with the department
3 and in collaboration with the governing boards, may recommend an
4 additional amount of funding pursuant to this subsection (2) for an
5 institution, which amount is ongoing ~~base~~ PERFORMANCE funding for the
6 receiving institution and is included in the calculation of funding pursuant
7 to this part 3 in subsequent state fiscal years. The commission may
8 recommend an additional amount of funding for the following purposes:

9 (a) To increase appropriations over the previous state fiscal year
10 in order to make progress toward master plan goals, which may include
11 addressing ~~base~~ PERFORMANCE funding disparities, HISTORIC INEQUITIES,
12 THE UNIQUE ROLE OF AREA TECHNICAL COLLEGES, or funding priorities not
13 addressed through the ~~performance~~ RESULTS-INFORMED funding metrics.
14 The commission shall focus its recommendations on broad institutional,
15 systemwide, or state policy goals.

16 (3) **One-time investments - lever three.** ~~After calculating~~
17 ~~funding recommendations pursuant to subsections (2) and (4) of this~~
18 ~~section~~; The commission, in conjunction with the department and in
19 collaboration with the governing boards, may recommend an additional
20 amount of temporary funding pursuant to this subsection (3) for an
21 institution for purposes of making progress toward goals identified in the
22 systemwide master planning process set forth in section 23-1-108 or other
23 areas as identified by the commission. Additional funding received
24 pursuant to this subsection (3) must be allocated for a specific period of
25 time, is not ongoing base funding, and is not included in the calculation
26 of funding pursuant to this part 3 in subsequent state fiscal years or in the
27 calculation of the total state appropriation made pursuant to this part 3.

1 (4) **Performance funding metrics.**

2 ~~(a) After calculating funding recommendations pursuant to~~
3 ~~subsection (2) of this section, the commission, in conjunction with the~~
4 ~~department and in collaboration with the governing boards, shall calculate~~
5 ~~performance funding for each governing board based on the rate of~~
6 ~~change over time in the performance of the institutions overseen by the~~
7 ~~governing board on the performance funding metrics specified in~~
8 ~~subsection (4)(b) of this section. The recommendation for performance~~
9 ~~funding may reflect a change in the total state appropriation, less the~~
10 ~~amount appropriated pursuant to subsection (3) of this section, from the~~
11 ~~preceding state fiscal year.~~

12 ~~(b) The performance funding metrics include:~~

- 13 ~~(I) Resident student full-time equivalent enrollment;~~
- 14 ~~(II) Credential completion;~~
- 15 ~~(III) Resident Pell-eligible student population share;~~
- 16 ~~(IV) Resident underrepresented minority student population share;~~
- 17 ~~(V) Retention rate;~~
- 18 ~~(VI) One-hundred-percent-of-time graduation rate;~~
- 19 ~~(VII) One-hundred-fifty-percent-of-time graduation rate; and~~
- 20 ~~(VIII) Resident first-generation undergraduate student population~~
21 ~~share.~~

22 ~~(c) (I) Beginning with the 2021-22 state fiscal year, in preparing~~
23 ~~budget recommendations, the commission, in conjunction with the~~
24 ~~department and in collaboration with the governing boards, may annually~~
25 ~~identify the portion of total performance funding that is allocated to each~~
26 ~~performance funding metric specified in subsection (4)(b) of this section.~~

27 ~~(II) For the 2021-22 state fiscal year and each state fiscal year~~

1 thereafter, the joint budget committee, after considering the commission's
2 budget recommendations, shall determine the portion of total
3 performance funding for the applicable state fiscal year that is allocated
4 to each performance funding metric specified in subsection (4)(b) of this
5 section. Each governing board's share of the funding allocated for each
6 performance funding metric is determined using the calculation set forth
7 in subsection (5) of this section.

8 **(5) Performance funding calculation.**

9 (a) The amount of performance funding that a governing board
10 receives for each performance funding metric specified in subsection
11 (4)(b) of this section is based on the rate of change over time in the
12 performance of the institutions overseen by the governing board on the
13 performance funding metric. The rate of change for each performance
14 funding metric is calculated annually for a governing board by dividing
15 the average of the four most recent years of actual data reported by the
16 governing board for the metric by the average of the three oldest of the
17 four years of actual data reported by the governing board for the metric.
18 The rate of change for the performance funding metric is then multiplied
19 by each governing board's role and mission share, resulting in the
20 "governing board role and mission adjusted share" for the performance
21 funding metric. The total of the governing board role and mission
22 adjusted shares for all governing boards is the "total role and mission
23 adjusted share" for the performance funding metric. Each governing
24 board's allocation for the performance funding metric is then determined
25 by dividing the governing board's role and mission adjusted share for the
26 performance funding metric by the total role and mission adjusted share
27 for the performance funding metric, ensuring that the total amount of

1 ~~funding distributed through the performance funding metric does not~~
2 ~~exceed the amount of funding allocated for the performance funding~~
3 ~~metric.~~

4 ~~(b) Repealed.~~

5 (7) When requesting or determining a change in performance
6 RESULTS-INFORMED funding pursuant to ~~subsection (4)~~ SUBSECTION (1.5)
7 of this section and tuition spending authority for governing boards, the
8 department and the joint budget committee shall consider, at a minimum,
9 cost increases to base funding at all institutions, including those related
10 to common policies annually submitted in the governor's November 1
11 budget request and adopted by the joint budget committee, and the
12 commission's master plan goals.

13 ~~(8) The board of trustees of the Colorado school of mines may~~
14 ~~study and recommend to the general assembly a different funding~~
15 ~~structure, including but not limited to a special purpose authority as~~
16 ~~defined in section 24-77-102 (15), that strengthens the institution and its~~
17 ~~specialized educational programs while ensuring academic quality and~~
18 ~~continued opportunities for resident students who meet the admissions~~
19 ~~criteria of the institution.~~

20 **SECTION 3.** In Colorado Revised Statutes, 23-18-306, **amend**
21 (1)(a) introductory portion, (1)(a)(II)(A), and (1)(a)(II)(B); and **repeal** (4)
22 as follows:

23 **23-18-306. Duties and powers of the commission - budget**
24 **provisions - periodic review of funding formula - report.**

25 (1) (a) For the ~~2021-22 state fiscal year~~ 2027-28 STATE FISCAL
26 YEAR and each state fiscal year thereafter, the department and commission
27 shall submit a budget request by November 1 of each year that includes:

1 (II) Recommendations for:

2 (A) Changes in the amount of ~~performance~~ RESULTS-INFORMED
3 funding ~~pursuant to section 23-18-303.5 (4)~~ SPECIFIED IN SECTION
4 23-18-303.5 (1.5), if any;

5 (B) The percentage allocation of ~~performance~~ RESULTS-INFORMED
6 funding among the ~~performance~~ RESULTS-INFORMED funding metrics
7 specified in ~~section 23-18-303.5 (4)(b)~~ SECTION 23-18-303.5 (1.3);

8 (4) ~~The commission, in conjunction with the department and in~~
9 ~~collaboration with the governing boards, shall identify and make~~
10 ~~recommendations concerning ways to better measure the success of~~
11 ~~students who are pursuing a credential or degree and who are not included~~
12 ~~in the first-time, full-time student cohort. On or before July 1, 2022, the~~
13 ~~commission shall submit its recommendations to the joint budget~~
14 ~~committee, which may include a recommendation for a statutory change~~
15 ~~to the calculation of one of the graduation rate performance funding~~
16 ~~metrics specified in section 23-18-303.5 (4)(b).~~

17 **SECTION 4. Effective date - applicability.** This act takes effect
18 August 1, 2026, and applies to state institution of higher education
19 budgets beginning in state fiscal year 2027-28.

20 **SECTION 5. Safety clause.** The general assembly finds,
21 determines, and declares that this act is necessary for the immediate
22 preservation of the public peace, health, or safety or for appropriations for
23 the support and maintenance of the departments of the state and state
24 institutions.