



Please Support SB 17-041 Higher Education Employment Contract Terms (Priola & Hooton/Willett)

Bill Summary:

- Under current law, institutions of higher education are limited in the number and length of term employment contracts or contract extensions that the institution can award, are prohibited from providing postemployment compensation or benefits to a government-supported employee after the individual's employment has ended and except in limited situations and the terms of government-supported employment contracts are generally available for public inspection.
- **This bill exempts the institution's employee positions that are funded by revenues generated through auxiliary activities**, as defined in the bill, from the provisions of current law.

Background:

- C.R.S. 24-19-104 states that each system of higher education and each campus of each state institution of higher education may have in effect employment contracts or employment contract extensions having a duration not more than five years with **not more than six** government-supported employees.
- Per statute, the governing board of the institution, the CU Board of Regents, determines that the contract or extension is necessary for the hiring or retaining of the employee in light of prevailing market conditions and competitive employment practices in other states.
- This bill would exempt contracts funded through auxiliary activities from the cap which will free up the six contracts currently allowed by statute for high priority administrative and exemplary non-traditional academic positions, such as renowned researcher or a venture capitalist.
- **"Auxiliary Enterprise" revenues are cash funds** that are derived from the institutional activities managed and accounted for as self-supporting activities, such as the bookstore, food services, residence halls and athletic ticket sales. They are completely outside of and separate from general funds.

Need for Statute Change:

- CU's self-funded auxiliary activities, including athletics, are akin to independent businesses and need the freedom to act accordingly to in order to maintain competitiveness.
- CU is at the bottom of the PAC 12 athletic conference in being able to use multi-year contracts. Among athletic departments nationally, 80-100 of these contracts are typically available to hire coaches and athletic support staff at all levels. For the CU Boulder campus to hire and retain high quality coaching staff, we need the ability to offer contracts to remain competitive in the conference. For example, our Cornerback Coach was recently hired away by the University of Oregon with a multi-year contract. This season he was selected as the "Defensive Backs Co-National Coach of the Year".
- This change will provide the opportunity to offer contracts to a greater number of athletic coaches, while freeing up the 6 statutorily allowed contracts for other purposes.
- **Under this change, the CU Board of Regents will still have the authority and opportunity to: (a) decide not to offer contracts to any auxiliary employees; or (b) decline individual contracts on a case-by-case basis. All proposed contracts will be reviewed in a public meeting for approval.**
- No General Fund monies would be used for this purpose.