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An Act

HOUSE BILL 20-1366

BY REPRESENTATIVE(S) Esgar and McCluskie, Bird, Buckner, Buentello, Cutter, Exum, Gonzales-Gutierrez, Jaquez Lewis, Kraft-Tharp, Lontine, McLachlan, Melton, Michaelson Jenet, Snyder, Soper, Valdez D., Van Winkle, Young, Becker;
also SENATOR(S) Zenzinger and Rankin, Moreno, Cooke, Crowder, Donovan, Fields, Gardner, Holbert, Lee, Lundeen, Marble, Priola, Scott, Smallwood, Story, Tate, Todd, Woodward, Garcia.

CONCERNING A HIGHER EDUCATION FUNDING ALLOCATION MODEL.

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

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

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

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

Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.

(f) In particular, it is critical that the rate of postsecondary participation by low-income Coloradans and minorities, who are currently underrepresented, be increased at Colorado's institutions of higher education; ~~and~~

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

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

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

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

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

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

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

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

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

~~(3)~~ (4) "~~Community college~~" means a community and technical college described in section 23-60-205 that is governed by the state board for community colleges and occupational education or the board of trustees for Colorado Mesa university. "CREDENTIAL COMPLETION" MEANS THE CALCULATION OF STUDENT CREDENTIAL COMPLETION BY A GOVERNING BOARD BASED ON EQUAL WEIGHTING OF THE TOTAL RESIDENT STUDENT COMPLETIONS OF POSTSECONDARY CREDENTIALS IN A GIVEN STATE FISCAL YEAR. THE CREDENTIAL COMPLETION CALCULATION INCLUDES:

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

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

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

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

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

(8) "ONE-HUNDRED-FIFTY-PERCENT-OF-TIME GRADUATION RATE" MEANS, FOR A FOUR-YEAR INSTITUTION, THE PERCENTAGE OF FIRST-TIME, FULL-TIME, DEGREE-SEEKING UNDERGRADUATE STUDENTS STARTING IN THE FALL TERM AND GRADUATING WITHIN SIX YEARS WITH A BACHELOR'S DEGREE FROM THE SAME INSTITUTION, AND, FOR A TWO-YEAR INSTITUTION, THE PERCENTAGE OF FIRST-TIME, FULL-TIME, ASSOCIATE DEGREE-SEEKING OR UNDERGRADUATE CERTIFICATE-SEEKING STUDENTS STARTING IN THE FALL TERM AND COMPLETING THEIR DECLARED PROGRAM WITHIN ONE HUNDRED FIFTY PERCENT OF THE NORMAL TIME TO COMPLETION, AS REPORTED TO THE INTEGRATED POSTSECONDARY EDUCATION DATA SYSTEM

MAINTAINED BY THE FEDERAL DEPARTMENT OF EDUCATION. IF THE INTEGRATED POSTSECONDARY EDUCATION DATA SYSTEM DOES NOT INCLUDE DATA FOR AN INSTITUTION OR GOVERNING BOARD FOR PRIOR STATE FISCAL YEARS, THE DEPARTMENT SHALL USE ITS AVAILABLE DATA, AS REPORTED BY THE GOVERNING BOARD TO THE DEPARTMENT THROUGH THE STUDENT-UNIT RECORD DATABASE, IN PLACE OF THE MISSING INTEGRATED POSTSECONDARY EDUCATION DATA SYSTEM DATA. THE DEPARTMENT SHALL ENSURE THAT THE GOVERNING BOARDS COLLECT AND REPORT THE DATA IN A CONSISTENT MANNER. A STUDENT MAY BE COUNTED ONLY ONCE IN A STATE FISCAL YEAR FOR PURPOSES OF THIS PERFORMANCE FUNDING METRIC.

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

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

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

(12)(a) "RESIDENT FIRST-GENERATION UNDERGRADUATE STUDENT" MEANS A RESIDENT STUDENT WHO, UNTIL THE AGE OF EIGHTEEN, PRIMARILY RESIDED WITH A SINGLE PARENT WHO DOES NOT, OR WITH PARENTS OR GUARDIANS BOTH OF WHOM DO NOT, POSSESS A BACHELOR'S DEGREE, BASED ON INSTITUTIONAL REPORTING DATA DESCRIBED IN SUBSECTION (12)(b) OF THIS SECTION.

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

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

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

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

(16) "RESIDENT UNDERREPRESENTED MINORITY STUDENT POPULATION SHARE" MEANS THE TOTAL RESIDENT STUDENT HEAD COUNT OF UNDERREPRESENTED MINORITY STUDENTS, AS DEFINED BY THE

DEPARTMENT, AS A PERCENTAGE OF THE OVERALL RESIDENT STUDENT POPULATION HEAD COUNT FROM THE END-OF-TERM FALL ENROLLMENT COLLECTED BY THE DEPARTMENT.

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

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

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

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

~~(8)~~ (19) "State institution of higher education" or "institution" has

the same meaning as defined in section 23-18-102 (10).

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

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

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

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

(I) For the preceding fiscal year or preceding state fiscal year, the sum of:

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

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

(II) For the applicable fiscal year or applicable state fiscal year, the total amount appropriated in the annual general appropriations act for the fiscal year to the governing boards of the state institutions of higher education for fee-for-service contracts determined pursuant to section 23-18-303 and the amount of the appropriation to the college opportunity

fund established in section 23-18-202 for student stipends. This amount includes only the amounts enacted in the annual general appropriations act as initially enacted, unless a supplemental appropriations act or another act otherwise specifies. The total state appropriation for the applicable fiscal year excludes any out-year costs or savings from legislation adopted in previous years that the general assembly determines were not accounted for in the preceding fiscal year's appropriations.

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

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

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

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

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

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

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

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

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

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

23-18-303. Fee-for-service contracts - authorization - performance funding - repeal. (1) For the 2015-16 state fiscal year ~~and each fiscal year thereafter~~ THROUGH THE 2020-21 STATE FISCAL YEAR, the governing board of a state institution of higher education may annually negotiate a fee-for-service contract with the department PURSUANT TO THIS SECTION for the delivery of higher education services by the institution for the benefit of the state and its residents. Specialty education programs, area technical colleges, and local district colleges are funded pursuant to the provisions of section 23-18-304.

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

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

23-18-303.5 Fee-for-service contracts - authorization - performance funding - repeal. (1) (a) FOR THE 2021-22 STATE FISCAL

YEAR AND EACH STATE FISCAL YEAR THEREAFTER, THE GOVERNING BOARD OF A STATE INSTITUTION OF HIGHER EDUCATION MAY ANNUALLY NEGOTIATE A FEE-FOR-SERVICE CONTRACT WITH THE DEPARTMENT PURSUANT TO THIS SECTION FOR THE DELIVERY OF HIGHER EDUCATION SERVICES BY THE INSTITUTION FOR THE BENEFIT OF THE STATE AND ITS RESIDENTS. SPECIALTY EDUCATION PROGRAMS, AREA TECHNICAL COLLEGES, AND LOCAL DISTRICT COLLEGES ARE FUNDED PURSUANT TO THE PROVISIONS OF SECTION 23-18-304.

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

(2) **Ongoing additional funding.** PRIOR TO CALCULATING PERFORMANCE FUNDING RECOMMENDATIONS PURSUANT TO SUBSECTION (4) OF THIS SECTION, THE COMMISSION, IN CONJUNCTION WITH THE DEPARTMENT AND IN COLLABORATION WITH THE GOVERNING BOARDS, MAY RECOMMEND AN ADDITIONAL AMOUNT OF FUNDING PURSUANT TO THIS SUBSECTION (2) FOR AN INSTITUTION, WHICH AMOUNT IS ONGOING BASE FUNDING FOR THE RECEIVING INSTITUTION AND IS INCLUDED IN THE CALCULATION OF FUNDING PURSUANT TO THIS PART 3 IN SUBSEQUENT STATE FISCAL YEARS. THE COMMISSION MAY RECOMMEND AN ADDITIONAL AMOUNT OF FUNDING FOR THE FOLLOWING PURPOSES:

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

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

(II) IF THE COMMISSION RECOMMENDS ADDITIONAL FUNDING FOR AN

INSTITUTION OR INSTITUTIONS PURSUANT TO THIS SUBSECTION (2)(b), FUNDING IS CALCULATED FOR AN INSTITUTION BY DIVIDING THE INSTITUTION'S RESIDENT FIRST-GENERATION UNDERGRADUATE STUDENT HEAD COUNT, BASED ON THE MOST RECENT CENSUS DATA COLLECTED BY THE DEPARTMENT PURSUANT TO SECTION 23-18-302 (12)(b), BY THE INSTITUTION'S OVERALL RESIDENT UNDERGRADUATE STUDENT POPULATION HEAD COUNT FROM THE FALL CENSUS, AND THEN MULTIPLYING THE QUOTIENT BY THE INSTITUTION'S RESIDENT FIRST-GENERATION UNDERGRADUATE STUDENT HEAD COUNT, RESULTING IN THE INSTITUTION'S "CALIBRATED FIRST-GENERATION UNDERGRADUATE STUDENT HEAD COUNT". AN INSTITUTION'S PERCENTAGE SHARE OF ADDITIONAL FUNDING PURSUANT TO THIS SUBSECTION (2)(b) IS THEN DETERMINED BY DIVIDING THE INSTITUTION'S CALIBRATED FIRST-GENERATION UNDERGRADUATE STUDENT HEAD COUNT BY THE SUM OF THE CALIBRATED FIRST-GENERATION UNDERGRADUATE STUDENT HEAD COUNTS FOR ALL INSTITUTIONS THAT RECEIVE ADDITIONAL FUNDING PURSUANT TO THIS SUBSECTION (2)(b).

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

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

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

(b) THE PERFORMANCE FUNDING METRICS INCLUDE:

(I) RESIDENT STUDENT FULL-TIME EQUIVALENT ENROLLMENT;

(II) CREDENTIAL COMPLETION;

(III) RESIDENT PELL-ELIGIBLE STUDENT POPULATION SHARE;

(IV) RESIDENT UNDERREPRESENTED MINORITY STUDENT POPULATION SHARE;

(V) RETENTION RATE;

(VI) ONE-HUNDRED-PERCENT-OF-TIME GRADUATION RATE;

(VII) ONE-HUNDRED-FIFTY-PERCENT-OF-TIME GRADUATION RATE;

AND

(VIII) RESIDENT FIRST-GENERATION UNDERGRADUATE STUDENT POPULATION SHARE.

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

(II) FOR THE 2021-22 STATE FISCAL YEAR AND EACH STATE FISCAL YEAR THEREAFTER, THE JOINT BUDGET COMMITTEE, AFTER CONSIDERING THE COMMISSION'S BUDGET RECOMMENDATIONS, SHALL DETERMINE THE PORTION OF TOTAL PERFORMANCE FUNDING FOR THE APPLICABLE STATE FISCAL YEAR THAT IS ALLOCATED TO EACH PERFORMANCE FUNDING METRIC SPECIFIED IN SUBSECTION (4)(b) OF THIS SECTION. EACH GOVERNING BOARD'S SHARE OF THE FUNDING ALLOCATED FOR EACH PERFORMANCE

FUNDING METRIC IS DETERMINED USING THE CALCULATION SET FORTH IN SUBSECTION (5) OF THIS SECTION.

(5) Performance funding calculation. (a) THE AMOUNT OF PERFORMANCE FUNDING THAT A GOVERNING BOARD RECEIVES FOR EACH PERFORMANCE FUNDING METRIC SPECIFIED IN SUBSECTION (4)(b) OF THIS SECTION IS BASED ON THE RATE OF CHANGE OVER TIME IN THE PERFORMANCE OF THE INSTITUTIONS OVERSEEN BY THE GOVERNING BOARD ON THE PERFORMANCE FUNDING METRIC. THE RATE OF CHANGE FOR EACH PERFORMANCE FUNDING METRIC IS CALCULATED ANNUALLY FOR A GOVERNING BOARD BY DIVIDING THE AVERAGE OF THE FOUR MOST RECENT YEARS OF ACTUAL DATA REPORTED BY THE GOVERNING BOARD FOR THE METRIC BY THE AVERAGE OF THE THREE OLDEST OF THE FOUR YEARS OF ACTUAL DATA REPORTED BY THE GOVERNING BOARD FOR THE METRIC. THE RATE OF CHANGE FOR THE PERFORMANCE FUNDING METRIC IS THEN MULTIPLIED BY EACH GOVERNING BOARD'S ROLE AND MISSION SHARE, RESULTING IN THE "GOVERNING BOARD ROLE AND MISSION ADJUSTED SHARE" FOR THE PERFORMANCE FUNDING METRIC. THE TOTAL OF THE GOVERNING BOARD ROLE AND MISSION ADJUSTED SHARES FOR ALL GOVERNING BOARDS IS THE "TOTAL ROLE AND MISSION ADJUSTED SHARE" FOR THE PERFORMANCE FUNDING METRIC. EACH GOVERNING BOARD'S ALLOCATION FOR THE PERFORMANCE FUNDING METRIC IS THEN DETERMINED BY DIVIDING THE GOVERNING BOARD'S ROLE AND MISSION ADJUSTED SHARE FOR THE PERFORMANCE FUNDING METRIC BY THE TOTAL ROLE AND MISSION ADJUSTED SHARE FOR THE PERFORMANCE FUNDING METRIC, ENSURING THAT THE TOTAL AMOUNT OF FUNDING DISTRIBUTED THROUGH THE PERFORMANCE FUNDING METRIC DOES NOT EXCEED THE AMOUNT OF FUNDING ALLOCATED FOR THE PERFORMANCE FUNDING METRIC.

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

SUBSECTION (4)(b)(VIII) OF THIS SECTION USING:

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

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

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

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

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

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

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

INSTITUTION.

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

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

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

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

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

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

(II) RECOMMENDATIONS FOR:

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

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

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

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

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

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

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

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

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

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

(I) CONVENE ONE OR MORE MEETINGS WITH INTERESTED PARTIES TO DISCUSS THE EXISTING FUNDING MODEL AND TO LEARN OF ISSUES RAISED BY THE INTERESTED PARTIES;

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

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

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

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

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

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

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

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

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

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

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

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

23-1-104. Financing the system of postsecondary education - report. (1) (b) (I) For the 2010-11 fiscal year and for fiscal years beginning on or after July 1, 2016, the general assembly shall make annual appropriations of general fund ~~moneys~~ MONEY, of cash funds received from tuition income, and of ~~moneys~~ MONEY that ~~are~~ IS estimated to be received by an institution, under the direction and control of the governing board, as stipends, as defined in section 23-18-102, and through fee-for-service contracts, as authorized in sections 23-1-109.7 and 23-18-303 OR 23-18-303.5, WHICHEVER IS APPLICABLE, as a single line item to each governing board for the operation of its campuses; except that, if the general assembly appropriates ~~moneys~~ MONEY, as described in ~~paragraph (c) of this subsection (1)~~ SUBSECTION (1)(c) OF THIS SECTION, to the Colorado state forest service, the agricultural experiment station department of the Colorado state university, or the Colorado state university cooperative extension service, such ~~moneys~~ MONEY shall not be included within the single line item appropriations described in this ~~paragraph (b)~~ SUBSECTION (1)(b).

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

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

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

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

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

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

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

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

23-18-202. College opportunity fund - appropriations - payment of stipends - reimbursement - report. (1) (c) If there ~~are moneys~~ IS MONEY remaining in the college opportunity fund or if there ~~are~~ IS insufficient ~~moneys~~ MONEY in the college opportunity fund after the final census date of the last academic term of each state fiscal year, as determined in accordance with this section, the department may transfer up to ten percent of the annual total governing board appropriation for the institution between the cash spending authority for the governing board to expend

stipends received on behalf of eligible undergraduate students and a fee-for-service contract for the governing board entered into pursuant to sections 23-1-109.7, ~~23-18-303~~ **23-18-303.5**, and 23-18-304 (1).

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

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

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

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

23-20-112. General powers of the board - definitions. (3) (a) Notwithstanding any provision of law to the contrary, an institution governed by the board of regents may use funding provided pursuant to ~~section 23-18-303~~ SECTION 23-18-303.5 as financial assistance for in-state students to reduce the student's share of in-state tuition, as defined in section 23-18-102.

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

as follows:

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

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

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

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

24-1-114. Department of higher education - creation. (5) (b) With respect to the Colorado commission on higher education and the universities, colleges, and boards specified in subsection (4) of this section, the executive director has only those powers, duties, and functions prescribed in article 1 of title 23; except that the executive director of the Colorado commission on higher education is authorized to negotiate, implement, and monitor contracts, as described in sections 23-18-201 (2), ~~23-18-303~~ **23-18-303.5**, 23-18-304, and 23-41-104.6, with universities, colleges, and boards, in consultation with the Colorado commission on higher education.

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

24-77-104.5. General fund exempt account - referendum C money - specification of uses for health care and education - definitions. (4) (a) Funding for the benefit of students attending community colleges and other institutions of higher education, as used in ~~subparagraph (H) of paragraph (b) of subsection (1)~~ SUBSECTION (1)(b)(III) of this section, shall

be IS limited to funding for:

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

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

SECTION 20. Safety clause. The general assembly hereby finds,

determines, and declares that this act is necessary for the immediate preservation of the public peace, health, or safety.

KC Becker
SPEAKER OF THE HOUSE
OF REPRESENTATIVES

Leroy M. Garcia
PRESIDENT OF
THE SENATE

Robin Jones
CHIEF CLERK OF THE HOUSE
OF REPRESENTATIVES

Cindi L. Markwell
SECRETARY OF
THE SENATE

APPROVED _____
(Date and Time)

Jared S. Polis
GOVERNOR OF THE STATE OF COLORADO