

**First Regular Session
Sixty-fourth General Assembly
STATE OF COLORADO**

INTRODUCED

LLS NO. 03-0616.03 Jerry Barry

HOUSE BILL 03-1336

HOUSE SPONSORSHIP

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House Committees

Education
Finance
Appropriations

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A BILL FOR AN ACT

101 **CONCERNING FINANCING PUBLIC INSTITUTIONS OF HIGHER**
102 **EDUCATION.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments that may be subsequently adopted.)

Establishes the college and graduate opportunity savings account programs in the department of higher education to allow a Colorado resident to transfer from a savings account to a public institution of higher education a portion of the resident's in-state tuition. Specifies the amount available for the 2004-05 school year per undergraduate or graduate credit hour and the total lifetime amount of a stipend per student. Requires the commission on higher education to recommend changes in the per credit hour amount of a stipend based upon the change in per

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

capita income in the state.

Establishes separate role and mission funding grants to state-supported institutions of higher education. Specifies that the commission on higher education shall make recommendations to the governor and the joint budget committee on increases or decreases for the opportunity savings accounts, the role and mission grants, and tuition increases. Authorizes the controller and treasurer to make interest free advances to institutions.

Makes conforming amendments.

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

2 **SECTION 1.** Title 23, Colorado Revised Statutes, is amended
3 BY THE ADDITION OF A NEW ARTICLE to read:

4 **ARTICLE 18**

5 **Public Higher Education Financing Act of 2003**

6 PART 1

7 GENERAL PROVISIONS

8 **23-18-101. Short title.** THIS ARTICLE SHALL BE KNOWN AND MAY
9 BE CITED AS THE "PUBLIC HIGHER EDUCATION FINANCING ACT OF 2003".

10 **23-18-102. Legislative findings and declarations.** (1) THE
11 GENERAL ASSEMBLY FINDS THAT:

12 (a) IN AUGUST OF 2001, THE GOVERNOR CREATED A BLUE RIBBON
13 PANEL OF PROMINENT COLORADO CITIZENS TO:

14 (I) REVIEW THE STATE'S HIGHER EDUCATION FUNDING SYSTEM;

15 (II) CONSIDER MEANS BY WHICH COLLEGE PARTICIPATION IN
16 COLORADO MAY BE INCREASED; AND

17 (III) RECOMMEND ANY NEW INITIATIVES TO ENSURE THE
18 AVAILABILITY OF RESOURCES AND AUTHORITY NEEDED FOR THE
19 ENHANCEMENT OF THE QUALITY AND NATURE OF THE COLORADO HIGHER
20 EDUCATION SYSTEM.

1 (b) THE BLUE RIBBON PANEL FOUND THAT:

2 (I) COLORADO IS A PARADOX IN TERMS OF ITS CITIZENS' OVERALL
3 EDUCATIONAL ATTAINMENT LEVEL AND THE PARTICIPATION OF ITS HIGH
4 SCHOOL STUDENTS IN HIGHER EDUCATION IMMEDIATELY FOLLOWING HIGH
5 SCHOOL;

6 (II) DURING THE PAST TWO DECADES, COLORADO HAS BEEN AT THE
7 TOP OR NEAR THE TOP OF ALL STATES FOR THE HIGHEST PERCENTAGE OF ITS
8 ADULT POPULATION HOLDING AT LEAST A BACHELOR'S DEGREE; AND

9 (III) ACCORDING TO A NATIONAL REPORT, COLORADO RANKED
10 TIED FOR TWENTY-SEVENTH AMONG ALL STATES WITH ONLY THIRTY-NINE
11 PERCENT OF ITS HIGH SCHOOL FRESHMEN GOING ON WITHIN FOUR YEARS
12 TO ATTEND A POSTSECONDARY INSTITUTION.

13 (c) THE BLUE RIBBON PANEL ALSO FOUND:

14 (I) A SUBSTANTIAL NUMBER OF COLORADANS ARE NOT
15 PARTICIPATING IN HIGHER EDUCATION AND, AS A RESULT, ITS CITIZENS ARE
16 NOT BENEFITTING FROM THE CURRENT SYSTEM OR THE CURRENT FUNDING
17 OF HIGHER EDUCATION;

18 (II) ALTHOUGH COLORADO'S POPULATION GREW BY OVER THIRTY
19 PERCENT DURING THE 1990'S, RESIDENT FULL-TIME EQUIVALENT
20 ENROLLMENT AT UNDERGRADUATE INSTITUTIONS ROSE BY ONLY NINE AND
21 SIX-TENTHS PERCENT DURING THOSE YEARS; AND

22 (III) BETWEEN 1990 AND 2000, THE PERCENTAGE OF
23 NON-HISPANIC WHITE AND HISPANIC MALES EIGHTEEN TO TWENTY-FOUR
24 YEARS OF AGE ATTENDING A COLORADO PUBLIC INSTITUTION OF HIGHER
25 EDUCATION DECLINED.

26 (d) FINALLY, THE BLUE RIBBON PANEL FOUND THAT:

27 (I) WHILE ACTUAL DOLLARS INCREASED, HIGHER EDUCATION'S

1 SHARE OF THE STATE'S GENERAL FUND DECLINED FROM NINETEEN PERCENT
2 IN 1991 TO LESS THAN FOURTEEN PERCENT IN 2001;

3 (II) NONETHELESS, THE STATE HAS INCREASED TOTAL FINANCIAL
4 AID BY TWENTY-SEVEN PERCENT BETWEEN 1999 AND 2003, AND
5 NEED-BASED AID, INCLUDING THE NEW GOVERNOR'S OPPORTUNITY
6 SCHOLARSHIP PROGRAM, HAS INCREASED BY FORTY PERCENT DURING THAT
7 PERIOD; AND

8 (III) THE TOTAL TUITION AND FEES AT THE UNIVERSITY OF
9 COLORADO AT BOULDER WAS NEXT TO THE LOWEST AMONG PEER STATES'
10 FLAGSHIP UNIVERSITIES, BUT TUITION AND FEES AT COLORADO
11 COMMUNITY COLLEGES EXCEEDED THE NATIONAL AVERAGE.

12 (e) BASED ON THESE FINDINGS, THE BLUE RIBBON PANEL SET AS ITS
13 GOAL INCREASED ACCESS AND OPPORTUNITIES FOR COLORADANS BY:

14 (I) INCREASING PARTICIPATION, RETENTION, AND GRADUATION
15 RATES, PARTICULARLY FOR STUDENTS IN THE BOTTOM INCOME QUARTILE;

16 (II) ENCOURAGING PARTICIPATION OF CURRENTLY
17 UNDER-REPRESENTED GROUPS; AND

18 (III) INCREASING PARTICIPATION OF RECENT HIGH SCHOOL
19 GRADUATES.

20 (2) THE GENERAL ASSEMBLY FURTHER FINDS:

21 (a) FOR THE FUTURE OF THE STATE OF COLORADO AND ITS
22 CITIZENS, IT IS IMPERATIVE THAT AN INCREASED NUMBER OF COLORADANS
23 PURSUE EDUCATION BEYOND HIGH SCHOOL; AND

24 (b) IN PARTICULAR, IT IS CRITICAL THAT THE RATE OF
25 POSTSECONDARY PARTICIPATION BY LOW-INCOME AND MODERATE-INCOME
26 COLORADANS, MALES, AND MINORITIES BE INCREASED.

27 (3) IT IS THE INTENT OF THE GENERAL ASSEMBLY IN ENACTING THIS

1 ARTICLE TO FUNDAMENTALLY CHANGE THE PROCESS BY WHICH
2 POSTSECONDARY EDUCATION IS FINANCED FROM FUNDING INSTITUTIONS
3 TO FUNDING INDIVIDUALS.

4 **23-18-103. Definitions.** AS USED IN THIS ARTICLE, UNLESS THE
5 CONTEXT OTHERWISE REQUIRES:

6 (1) "CASH FUNDS" MEANS FUNDS RECEIVED FROM TUITION INCOME,
7 FEES, INDIRECT COST RECOVERIES, AND OTHER SOURCES OF FUNDS THAT
8 CAN BE APPROPRIATED AS CASH FUNDS FOR STATE-SUPPORTED
9 INSTITUTIONS OF HIGHER EDUCATION; EXCEPT THAT "CASH FUNDS" SHALL
10 NOT INCLUDE FUNDS DERIVED FROM GIFTS, FEDERAL FUNDS, OR OTHER
11 SOURCES FROM WHICH AN EXPENDITURE OR RESERVE INCREASE IS NOT
12 SUBJECT TO THE PROVISIONS OF SECTION 20 OF ARTICLE X OF THE STATE
13 CONSTITUTION.

14 (2) "COMMISSION" MEANS THE COMMISSION ON HIGHER
15 EDUCATION ESTABLISHED PURSUANT TO SECTION 23-1-102.

16 (3) "ELIGIBLE GRADUATE STUDENT" MEANS A STUDENT ENROLLED
17 IN A GRADUATE PROGRAM IN A STATE-SUPPORTED INSTITUTION OF HIGHER
18 EDUCATION WHO IS CLASSIFIED AS AN IN-STATE STUDENT PURSUANT TO
19 ARTICLE 7 OF THIS TITLE; EXCEPT THAT AN "ELIGIBLE GRADUATE STUDENT"
20 SHALL NOT INCLUDE A STUDENT ENROLLED AT:

- 21 (a) UNIVERSITY OF COLORADO HEALTH SCIENCES CENTER;
- 22 (b) UNIVERSITY OF COLORADO LAW SCHOOL;
- 23 (c) UNIVERSITY OF COLORADO SCHOOL OF ARCHITECTURE AND
24 PLANNING;
- 25 (d) COLORADO STATE UNIVERSITY VETERINARY SCHOOL;
- 26 (e) COLORADO STATE UNIVERSITY COOPERATIVE EXTENSION
27 SERVICE; OR

1 (f) AN INSTITUTION SUPPORTED BY A ROLE AND MISSION GRANT
2 APPROPRIATED TO THE INSTITUTION'S GOVERNING BOARD FOR THE
3 PURPOSE OF FUNDING A GRADUATE EDUCATION PROGRAM NOT COVERED
4 BY THE GRADUATE OPPORTUNITY FUND CREATED PURSUANT TO PART 2 OF
5 THIS ARTICLE.

6 (4) "ELIGIBLE UNDERGRADUATE STUDENT" MEANS A STUDENT
7 ENROLLED AT A STATE-SUPPORTED INSTITUTION OF HIGHER EDUCATION
8 WHO IS CLASSIFIED AS AN IN-STATE STUDENT PURSUANT TO SECTIONS
9 23-7-101 TO 23-7-103; EXCEPT THAT "ELIGIBLE UNDERGRADUATE
10 STUDENT" SHALL NOT MEAN A STUDENT ENROLLED IN AN OFF-CAMPUS,
11 EXTENDED CAMPUS, OR CONTINUING EDUCATION CLASS THAT IS NOT
12 SUPPORTED BY STATE MONEYS.

13 (5) "EXEMPT CASH FUNDS" MEANS FUNDS DERIVED FROM GIFTS,
14 FEDERAL FUNDS, OR OTHER SOURCES FROM WHICH AN EXPENDITURE OR
15 RESERVE INCREASE IS NOT SUBJECT TO THE PROVISIONS OF SECTION 20 OF
16 ARTICLE X OF THE STATE CONSTITUTION.

17 (6) "GOVERNING BOARD" MEANS THE GOVERNING BODY OF A
18 STATE-SUPPORTED INSTITUTION OF HIGHER EDUCATION.

19 (7) "IN-STATE TUITION" MEANS THE TOTAL AMOUNT, ESTABLISHED
20 BY THE COMMISSION PURSUANT TO SECTION 23-18-305 (2) (b), THAT IS
21 PAID TO A STATE-SUPPORTED INSTITUTION OF HIGHER EDUCATION BY OR ON
22 BEHALF OF A STUDENT ENTITLED TO PAY IN-STATE TUITION, INCLUDING
23 BUT NOT LIMITED TO THE AMOUNT PAID ON BEHALF OF THE STUDENT FROM
24 A STIPEND AWARDED PURSUANT TO PART 2 OF THIS ARTICLE.

25 (8) (a) "STATE-SUPPORTED INSTITUTION OF HIGHER EDUCATION"
26 MEANS A PUBLIC POSTSECONDARY INSTITUTION THAT IS GOVERNED BY:

27 (I) THE BOARD OF GOVERNORS OF THE COLORADO STATE

1 UNIVERSITY SYSTEM;

2 (II) THE BOARD OF REGENTS OF THE UNIVERSITY OF COLORADO;

3 (III) THE BOARD OF TRUSTEES OF THE COLORADO SCHOOL OF

4 MINES;

5 (IV) THE BOARD OF TRUSTEES OF THE UNIVERSITY OF NORTHERN

6 COLORADO;

7 (V) THE TRUSTEES OF THE STATE COLLEGES IN COLORADO OR ITS

8 SUCCESSOR OR SUCCESSORS;

9 (VI) THE BOARD OF TRUSTEES FOR FORT LEWIS COLLEGE;

10 (VII) THE BOARD OF TRUSTEES FOR METROPOLITAN STATE

11 COLLEGE OF DENVER;

12 (VIII) THE STATE BOARD FOR COMMUNITY COLLEGES AND

13 OCCUPATIONAL EDUCATION; OR

14 (IX) THE BOARD OF TRUSTEES FOR AIMS COMMUNITY COLLEGE.

15 (b) "STATE-SUPPORTED INSTITUTION OF HIGHER EDUCATION" ALSO

16 MEANS A STATE-SUPPORTED, PUBLIC AREA VOCATIONAL SCHOOL

17 INCLUDING BUT NOT LIMITED TO:

18 (I) EMILY GRIFFITH OPPORTUNITY SCHOOL;

19 (II) DELTA-MONTROSE AREA VOCATIONAL SCHOOL;

20 (III) SAN JUAN BASIN AREA VOCATIONAL SCHOOL; AND

21 (IV) AURORA TECH CENTER.

22 (9) "TUITION" MEANS THE TOTAL AMOUNT OF MONEY PAID TO A

23 STATE-SUPPORTED INSTITUTION OF HIGHER EDUCATION BY OR ON BEHALF

24 OF A STUDENT, INCLUDING BUT NOT LIMITED TO THE AMOUNT PAID ON

25 BEHALF OF THE STUDENT FROM A STIPEND AWARDED PURSUANT TO PART

26 2 OF THIS ARTICLE.

27 PART 2

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COLLEGE AND GRADUATE
OPPORTUNITY ACCOUNTS

**23-18-201. College opportunity savings accounts - created -
eligibility - reciprocal agreements - fund.** (1) THERE IS HEREBY

CREATED IN THE DEPARTMENT OF HIGHER EDUCATION THE COLLEGE
OPPORTUNITY SAVINGS ACCOUNT PROGRAM, REFERRED TO IN THIS SECTION
AS THE "COLLEGE OPPORTUNITY SAVINGS ACCOUNT". THE COLLEGE
OPPORTUNITY SAVINGS ACCOUNT SHALL CONSIST OF A COLLEGE SAVINGS
ACCOUNT FOR EACH ELIGIBLE UNDERGRADUATE STUDENT OF COLORADO
WHO IS ADMITTED AND REGISTERS TO ATTEND A STATE-SUPPORTED
INSTITUTION OF HIGHER EDUCATION THAT MAY BE TRANSFERRED AT THE
ELIGIBLE UNDERGRADUATE STUDENT'S REQUEST AT A FIXED RATE PER
CREDIT HOUR FOR UNDERGRADUATE COURSES TAKEN AT A
STATE-SUPPORTED INSTITUTION OF HIGHER EDUCATION.

(2) (a) EACH ELIGIBLE UNDERGRADUATE STUDENT IS ENTITLED TO
REQUEST THAT A PAYMENT BE MADE TO A STATE-SUPPORTED INSTITUTION
OF HIGHER EDUCATION OF THE STUDENT'S CHOICE IN A SPECIFIED AMOUNT
PURSUANT TO PARAGRAPH (b) OF THIS SUBSECTION (2) AND APPLIED
AGAINST THE STUDENT'S IN-STATE TUITION FOR EACH CREDIT HOUR FOR
WHICH THE ELIGIBLE UNDERGRADUATE STUDENT REGISTERS.

(b) (I) FOR THE STATE FISCAL YEAR COMMENCING JULY 1, 2004,
THE SPECIFIED AMOUNT OF STIPEND PER CREDIT HOUR SHALL BE THE
LESSER OF THE STUDENT'S IN-STATE TUITION OR ____ DOLLARS, UP TO A
TOTAL LIFETIME STIPEND AMOUNT OF ____ DOLLARS.

(II) FOR STATE FISCAL YEARS COMMENCING ON OR AFTER JULY 1,
2005, THE COMMISSION SHALL RECOMMEND TO THE GOVERNOR AND THE
GENERAL ASSEMBLY A SPECIFIED STIPEND AMOUNT PER CREDIT HOUR

1 CALCULATED ON THE SPECIFIED AMOUNT FOR THE IMMEDIATELY
2 PRECEDING STATE FISCAL YEAR PLUS THE PERCENTAGE INCREASE IN PER
3 CAPITA INCOME FOR THE STATE OF COLORADO FOR THE PRIOR YEAR AS
4 CALCULATED BY THE UNITED STATES BUREAU OF ECONOMIC ANALYSIS.

5 (c) NOTWITHSTANDING THE PROVISIONS OF PARAGRAPH (a) OF THIS
6 SUBSECTION (2), AN ELIGIBLE UNDERGRADUATE STUDENT SHALL NOT
7 RECEIVE A STIPEND FROM THE COLLEGE OPPORTUNITY SAVINGS ACCOUNT
8 FOR BASIC SKILLS COURSES, AS DEFINED IN SECTION 23-1-113 (1) (b) (II)
9 (A.7), COURSES TAKEN PURSUANT TO THE "POSTSECONDARY ENROLLMENT
10 OPTIONS ACT", ARTICLE 35 OF TITLE 22, C.R.S., OR HIGH SCHOOL
11 FAST-TRACK COURSES TAKEN PURSUANT TO SECTION 22-34-101, C.R.S.
12 CREDITS EARNED IN BASIC SKILLS COURSES, POSTSECONDARY OPTION, OR
13 FAST-TRACK COURSES SHALL NOT COUNT AGAINST THE TOTAL LIFETIME
14 STIPEND LIMITATION ESTABLISHED PURSUANT TO SUBPARAGRAPH (I) OF
15 PARAGRAPH (b) OF THIS SUBSECTION (2).

16 (d) NOTWITHSTANDING THE TOTAL LIFETIME STIPEND LIMITATION
17 ESTABLISHED PURSUANT TO PARAGRAPH (b) OF THIS SUBSECTION (2), AN
18 ELIGIBLE UNDERGRADUATE STUDENT MAY APPLY TO THE COMMISSION FOR
19 A WAIVER OF THE LIMITATION. THE COMMISSION MAY GRANT A WAIVER
20 OF THE TOTAL LIFETIME STIPEND LIMITATION IF IT FINDS THAT REQUIRING
21 THE ELIGIBLE UNDERGRADUATE STUDENT TO PAY THE FULL AMOUNT OF
22 IN-STATE TUITION WOULD CAUSE A SUBSTANTIAL ECONOMIC HARDSHIP ON
23 THE STUDENT AND THE STUDENT'S FAMILY.

24 (3) IF AN ELIGIBLE UNDERGRADUATE STUDENT ENROLLS IN A CLASS
25 FOR WHICH THE STATE-SUPPORTED INSTITUTION OF HIGHER EDUCATION
26 RECEIVES A PAYMENT PURSUANT TO SUBSECTION (2) OF THIS SECTION AND
27 THE ELIGIBLE UNDERGRADUATE STUDENT SUBSEQUENTLY WITHDRAWS

1 FROM THE CLASS ON OR PRIOR TO THE FINAL DATE ON WHICH THE
2 INSTITUTION PERMITS A STUDENT TO WITHDRAW WITHOUT THE PAYMENT
3 OF TUITION, THE INSTITUTION SHALL REIMBURSE THE COLLEGE
4 OPPORTUNITY SAVINGS ACCOUNT FOR THE FULL AMOUNT OF THE MONEYS
5 RECEIVED FROM THE ACCOUNT AND THE STIPEND AMOUNT SHALL NOT
6 COUNT AGAINST THE ELIGIBLE UNDERGRADUATE STUDENT'S TOTAL
7 LIFETIME STIPEND LIMITATION ESTABLISHED PURSUANT TO PARAGRAPH (b)
8 OF SUBSECTION (2) OF THIS SECTION.

9 (4) EXCEPT AS OTHERWISE PROVIDED IN SECTION 23-18-202 (4),
10 THE COMMISSION SHALL IDENTIFY THOSE CIRCUMSTANCES UNDER WHICH
11 THE AWARDING OF A STIPEND UNDER THIS SECTION TO RESIDENTS OF
12 ANOTHER STATE, ON A RECIPROCAL BASIS WITH OTHER STATES, WOULD
13 ENHANCE EDUCATIONAL OPPORTUNITIES FOR COLORADO RESIDENTS.
14 RELATIVE TO SUCH IDENTIFIED CIRCUMSTANCES, THE COMMISSION SHALL
15 NEGOTIATE WITH THE OTHER STATES INVOLVED WITH THE OBJECTIVE OF
16 ESTABLISHING RECIPROCAL AGREEMENTS FOR THE WAIVING OF THE
17 NONRESIDENTIAL DIFFERENTIAL FOR COLORADO RESIDENTS ATTENDING
18 STATE INSTITUTIONS OF HIGHER EDUCATION IN OTHER STATES IN
19 EXCHANGE FOR AWARDING A STIPEND UNDER THIS SECTION TO RESIDENTS
20 OF THE OTHER STATES. AGREEMENTS NEGOTIATED BETWEEN COLORADO
21 AND OTHER STATES SHALL PROVIDE FOR AN EQUAL NUMBER OF RESIDENT
22 AND NONRESIDENT STUDENTS TO BE EXCHANGED BETWEEN THE STATES.
23 UPON SUCCESSFUL COMPLETION OF THE NEGOTIATIONS, THE COMMISSION
24 MAY IDENTIFY THE NUMBERS OF COLORADO RESIDENTS BY GRADE LEVEL
25 WHOSE EDUCATIONAL OPPORTUNITIES WOULD BE ENHANCED AND THE
26 NUMBERS OF NONRESIDENT STUDENTS BY GRADE LEVEL FOR WHOM THE
27 STIPEND UNDER THIS SECTION MAY BE AWARDED. THE COMMISSION SHALL

1 ESTABLISH REGULATIONS FOR THE ADMINISTRATION OF THIS SECTION,
2 BASED ON THE APPLICATION OF THE CLOSEST COLLEGE CONCEPT, AND FOR
3 THE REPORTING TO THE GENERAL ASSEMBLY OF THE NUMBERS OF
4 STUDENTS TO WHOM THE WAIVERS OR STIPENDS ARE GIVEN.

5 (5) (a) THERE IS HEREBY CREATED IN THE STATE TREASURY THE
6 COLLEGE OPPORTUNITY FUND, REFERRED TO IN THIS PARAGRAPH (a) AS THE
7 "FUND". THE FUND SHALL BE PERPETUAL AND SHALL INCLUDE ANNUAL
8 APPROPRIATIONS BY THE GENERAL ASSEMBLY FOR THE DIRECT COSTS,
9 INCLUDING ANY DIRECT ADMINISTRATIVE COSTS, ASSOCIATED WITH THE
10 IMPLEMENTATION OF THIS SECTION. ANY MONEYS IN THE FUND NOT
11 EXPENDED FOR THE PURPOSE OF THIS SECTION MAY BE INVESTED BY THE
12 STATE TREASURER AS PROVIDED BY LAW. ALL INTEREST AND INCOME
13 DERIVED FROM THE INVESTMENT AND DEPOSIT OF MONEYS IN THE FUND
14 SHALL BE CREDITED TO THE GENERAL FUND. ANY UNEXPENDED AND
15 UNENCUMBERED MONEYS REMAINING IN THE FUND AT THE END OF ANY
16 STATE FISCAL YEAR SHALL BE TRANSFERRED TO THE COLLEGE
17 OPPORTUNITY TRUST FUND ESTABLISHED PURSUANT TO PARAGRAPH (b) OF
18 THIS SUBSECTION (5).

19 (b) THERE IS HEREBY CREATED IN THE STATE TREASURY THE
20 COLLEGE OPPORTUNITY TRUST FUND, REFERRED TO IN THIS PARAGRAPH (b)
21 AS THE "TRUST FUND". THE TRUST FUND SHALL CONSIST OF MONEYS
22 TRANSFERRED FROM THE COLLEGE OPPORTUNITY FUND PURSUANT TO
23 PARAGRAPH (a) OF THIS SUBSECTION (5). MONEYS IN THE TRUST FUND
24 SHALL BE AVAILABLE TO COVER ENROLLMENT FLUCTUATIONS IN FUTURE
25 FISCAL YEARS AND MAY BE APPROPRIATED ONLY TO THE COLLEGE
26 OPPORTUNITY FUND. ANY MONEYS IN THE TRUST FUND NOT APPROPRIATED
27 TO THE COLLEGE OPPORTUNITY FUND MAY BE INVESTED BY THE STATE

1 TREASURER AS PROVIDED BY LAW. ALL INTEREST AND INCOME DERIVED
2 FROM THE INVESTMENT AND DEPOSIT OF MONEYS IN THE TRUST FUND
3 SHALL BE CREDITED TO THE TRUST FUND. ANY UNEXPENDED AND
4 UNENCUMBERED MONEYS REMAINING IN THE TRUST FUND AT THE END OF
5 ANY STATE FISCAL YEAR SHALL REMAIN IN THE TRUST FUND AND SHALL
6 NOT BE CREDITED OR TRANSFERRED TO THE GENERAL FUND OR ANY OTHER
7 FUND.

8 **23-18-202. Graduate opportunity savings accounts - created -**
9 **eligibility - reciprocal agreements - fund.** (1) THERE IS HEREBY
10 CREATED IN THE DEPARTMENT OF HIGHER EDUCATION THE GRADUATE
11 OPPORTUNITY SAVINGS ACCOUNT PROGRAM, REFERRED TO IN THIS SECTION
12 AS THE "GRADUATE OPPORTUNITY SAVINGS ACCOUNT". THE GRADUATE
13 OPPORTUNITY SAVINGS ACCOUNT SHALL CONSIST OF A GRADUATE SAVINGS
14 ACCOUNT FOR EACH ELIGIBLE GRADUATE STUDENT OF COLORADO WHO IS
15 ADMITTED AND REGISTERS TO ATTEND A STATE-SUPPORTED INSTITUTION
16 OF HIGHER EDUCATION THAT MAY BE TRANSFERRED AT THE ELIGIBLE
17 GRADUATE STUDENT'S REQUEST AT A FIXED RATE PER CREDIT HOUR FOR
18 GRADUATE COURSES TAKEN AT A STATE-SUPPORTED INSTITUTION OF
19 HIGHER EDUCATION.

20 (2) (a) EACH ELIGIBLE GRADUATE STUDENT IS ENTITLED TO
21 REQUEST THAT A PAYMENT BE MADE TO A STATE-SUPPORTED INSTITUTION
22 OF HIGHER EDUCATION OF THE STUDENT'S CHOICE IN A SPECIFIED AMOUNT
23 PURSUANT TO PARAGRAPH (b) OF THIS SUBSECTION (2) AND APPLIED
24 AGAINST THE STUDENT'S IN-STATE TUITION FOR EACH POSTGRADUATE
25 CREDIT HOUR FOR WHICH THE ELIGIBLE GRADUATE STUDENT REGISTERS.

26 (b) (I) FOR THE STATE FISCAL YEAR COMMENCING JULY 1, 2004,
27 THE SPECIFIED AMOUNT OF THE GRADUATE STIPEND PER CREDIT HOUR

1 SHALL BE THE LESSER OF THE IN-STATE TUITION AND _____ DOLLARS UP TO
2 A TOTAL LIFETIME GRADUATE STIPEND AMOUNT OF _____ DOLLARS.

3 (II) FOR STATE FISCAL YEARS COMMENCING ON OR AFTER JULY 1,
4 2005, THE COMMISSION SHALL RECOMMEND TO THE GOVERNOR AND THE
5 GENERAL ASSEMBLY A SPECIFIED GRADUATE STIPEND AMOUNT PER CREDIT
6 HOUR CALCULATED ON THE SPECIFIED AMOUNT FOR THE IMMEDIATELY
7 PRECEDING STATE FISCAL YEAR PLUS THE PERCENTAGE INCREASE IN PER
8 CAPITA INCOME FOR THE STATE OF COLORADO FOR THE PRIOR YEAR AS
9 CALCULATED BY THE UNITED STATES BUREAU OF ECONOMIC ANALYSIS.

10 (c) NOTWITHSTANDING THE TOTAL LIFETIME GRADUATE STIPEND
11 LIMITATION ESTABLISHED PURSUANT TO PARAGRAPH (b) OF THIS
12 SUBSECTION (2), AN ELIGIBLE GRADUATE STUDENT MAY APPLY TO THE
13 COMMISSION FOR A WAIVER OF THE LIMITATION. THE COMMISSION MAY
14 GRANT A WAIVER OF THE TOTAL LIFETIME GRADUATE STIPEND LIMITATION
15 IF IT FINDS THAT REQUIRING THE ELIGIBLE GRADUATE STUDENT TO PAY THE
16 FULL AMOUNT OF IN-STATE TUITION WOULD CAUSE A SUBSTANTIAL
17 ECONOMIC HARDSHIP ON THE STUDENT OR THE STUDENT'S FAMILY.

18 (3) IF AN ELIGIBLE GRADUATE STUDENT ENROLLS IN A CLASS FOR
19 WHICH THE STATE-SUPPORTED INSTITUTION OF HIGHER EDUCATION
20 RECEIVES A PAYMENT PURSUANT TO SUBSECTION (2) OF THIS SECTION AND
21 THE ELIGIBLE GRADUATE STUDENT SUBSEQUENTLY WITHDRAWS FROM THE
22 CLASS ON OR PRIOR TO THE FINAL DATE ON WHICH THE INSTITUTION
23 PERMITS A STUDENT TO WITHDRAW WITHOUT THE PAYMENT OF TUITION,
24 THE INSTITUTION SHALL REIMBURSE THE GRADUATE OPPORTUNITY
25 SAVINGS ACCOUNT FOR THE FULL AMOUNT OF THE MONEYS RECEIVED
26 FROM THE GRADUATE OPPORTUNITY SAVINGS ACCOUNT AND THE STIPEND
27 AMOUNT SHALL NOT COUNT AGAINST THE ELIGIBLE GRADUATE STUDENT'S

1 TOTAL LIFETIME GRADUATE STIPEND LIMITATION ESTABLISHED PURSUANT
2 TO PARAGRAPH (b) OF SUBSECTION (2) OF THIS SECTION.

3 (4) THE COMMISSION, ON BEHALF OF THE STATE OF COLORADO,
4 MAY ENTER INTO AGREEMENTS WITH ANOTHER STATE OR WITH THE
5 WESTERN INTERSTATE COMMISSION FOR HIGHER EDUCATION ON BEHALF OF
6 ANOTHER STATE FOR THE AWARDING OF FULL OR PARTIAL STIPENDS UNDER
7 THIS SECTION TO RESIDENTS OF SUCH OTHER STATES WHO ARE
8 POSTGRADUATE OR PROFESSIONAL STUDENTS AT OR ARE ELIGIBLE FOR
9 ADMISSION AS POSTGRADUATE STUDENTS TO ANY OF THE
10 STATE-SUPPORTED INSTITUTIONS OF HIGHER EDUCATION IN COLORADO IF
11 THE AGREEMENT PROVIDES THAT, UNDER SUBSTANTIALLY THE SAME
12 CIRCUMSTANCES, SUCH OTHER STATE WILL GRANT RECIPROCAL WAIVERS
13 TO RESIDENTS OF COLORADO WHO ARE POSTGRADUATE OR PROFESSIONAL
14 STUDENTS OF UNIVERSITIES OR COLLEGES IN SUCH OTHER STATES. THE
15 COMMISSION, IN CONSULTATION WITH THE AFFECTED COLORADO
16 INSTITUTIONS, SHALL ESTABLISH REGULATIONS GOVERNING THE
17 ADMINISTRATION OF AGREEMENTS AND THE AWARDING OF WAIVERS OR
18 STIPENDS. IN 2004 AND IN EACH SUBSEQUENT EVEN-NUMBERED YEAR, THE
19 COMMISSION SHALL REPORT TO THE GOVERNOR AND THE GENERAL
20 ASSEMBLY ON THESE PROGRAMS.

21 (5) (a) THERE IS HEREBY CREATED IN THE STATE TREASURY THE
22 GRADUATE OPPORTUNITY FUND, REFERRED TO IN THIS PARAGRAPH (a) AS
23 THE "FUND". THE FUND SHALL BE PERPETUAL AND SHALL INCLUDE
24 ANNUAL APPROPRIATIONS BY THE GENERAL ASSEMBLY FOR THE DIRECT
25 COSTS, INCLUDING ANY DIRECT ADMINISTRATIVE COSTS, ASSOCIATED WITH
26 THE IMPLEMENTATION OF THIS SECTION. ANY MONEYS IN THE FUND NOT
27 EXPENDED FOR THE PURPOSE OF THIS SECTION MAY BE INVESTED BY THE

1 STATE TREASURER AS PROVIDED BY LAW. ALL INTEREST AND INCOME
2 DERIVED FROM THE INVESTMENT AND DEPOSIT OF MONEYS IN THE FUND
3 SHALL BE CREDITED TO THE GENERAL FUND. ANY UNEXPENDED AND
4 UNENCUMBERED MONEYS REMAINING IN THE FUND AT THE END OF ANY
5 STATE FISCAL YEAR SHALL BE TRANSFERRED TO THE GRADUATE
6 OPPORTUNITY TRUST FUND CREATED PURSUANT TO PARAGRAPH (b) OF THIS
7 SUBSECTION (5).

8 (b) THERE IS HEREBY CREATED IN THE STATE TREASURY THE
9 GRADUATE OPPORTUNITY TRUST FUND, REFERRED TO IN THIS PARAGRAPH
10 (b) AS THE "TRUST FUND". THE TRUST FUND SHALL CONSIST OF MONEYS
11 TRANSFERRED FROM THE GRADUATE OPPORTUNITY FUND PURSUANT TO
12 PARAGRAPH (a) OF THIS SUBSECTION (5). MONEYS IN THE TRUST FUND
13 SHALL BE AVAILABLE TO COVER ENROLLMENT FLUCTUATIONS IN FUTURE
14 FISCAL YEARS AND MAY BE APPROPRIATED ONLY TO THE GRADUATE
15 OPPORTUNITY FUND. ANY MONEYS IN THE TRUST FUND NOT APPROPRIATED
16 TO THE GRADUATE OPPORTUNITY FUND MAY BE INVESTED BY THE STATE
17 TREASURER AS PROVIDED BY LAW. ALL INTEREST AND INCOME DERIVED
18 FROM THE INVESTMENT AND DEPOSIT OF MONEYS IN THE TRUST FUND
19 SHALL BE CREDITED TO THE TRUST FUND. ANY UNEXPENDED AND
20 UNENCUMBERED MONEYS REMAINING IN THE TRUST FUND AT THE END OF
21 ANY STATE FISCAL YEAR SHALL REMAIN IN THE TRUST FUND AND SHALL
22 NOT BE CREDITED OR TRANSFERRED TO THE GENERAL FUND OR ANY OTHER
23 FUND.

24 **23-18-203. College and graduate opportunity savings accounts**
25 **- appropriations.** (1) STARTING WITH THE STATE FISCAL YEAR
26 COMMENCING JULY 1, 2004, AND FOR EACH STATE FISCAL YEAR
27 THEREAFTER, THE GENERAL ASSEMBLY SHALL MAKE AN ANNUAL

1 APPROPRIATION TO THE COMMISSION FOR THE COLLEGE AND GRADUATE
2 OPPORTUNITY SAVINGS ACCOUNTS. STARTING WITH THE STATE FISCAL
3 YEAR COMMENCING JULY 1, 2005, THE COMMISSION, IN CONSULTATION
4 WITH THE GOVERNING BOARDS, SHALL REVIEW ANNUALLY THE AMOUNT OF
5 THE STIPENDS ESTABLISHED PURSUANT TO SECTIONS 23-18-201 (2) (b) AND
6 23-18-202 (2) (b) TO ACCOUNT FOR INFLATION OR OTHER COST INCREASES
7 AS WELL AS THE STATE'S FISCAL AND BUDGETARY STATUS. FOLLOWING
8 THE REVIEW, THE COMMISSION SHALL ANNUALLY DELIVER ITS
9 RECOMMENDATIONS REGARDING POSSIBLE ADJUSTMENTS TO THE AMOUNT
10 OF THE STIPENDS TO THE GOVERNOR AND THE JOINT BUDGET COMMITTEE
11 OF THE GENERAL ASSEMBLY FOR CONSIDERATION IN THE ANNUAL GENERAL
12 APPROPRIATIONS ACT.

13 (2) FOR THE STATE FISCAL YEAR COMMENCING JULY 1, 2004, AND
14 FOR EACH STATE FISCAL YEAR THEREAFTER, THE COMMISSION SHALL
15 ANNUALLY ESTIMATE THE NUMBER OF UNDERGRADUATE AND GRADUATE
16 FULL-TIME EQUIVALENT STUDENTS AT EACH STATE-SUPPORTED
17 INSTITUTION OF HIGHER EDUCATION WHO ARE ELIGIBLE FOR STIPENDS
18 UNDER THIS PART 2 AND SHALL REPORT THE NUMBERS TO THE GOVERNOR
19 AND JOINT BUDGET COMMITTEE OF THE GENERAL ASSEMBLY FOR
20 INCLUSION IN THE ANNUAL GENERAL APPROPRIATIONS ACT.

21 (3) FOR THE STATE FISCAL YEAR COMMENCING JULY 1, 2004, AND
22 FOR EACH STATE FISCAL YEAR THEREAFTER, THE GENERAL ASSEMBLY
23 SHALL APPROPRIATE SPENDING AUTHORITY TO THE GOVERNING BOARDS
24 FOR THE CASH FUNDS RECEIVED OR, AS APPROPRIATE, EXEMPT CASH FUNDS
25 RECEIVED, INCLUDING BUT NOT LIMITED TO AN AMOUNT EQUAL TO THE
26 APPLICABLE PER-CREDIT-HOUR STIPEND MULTIPLIED BY THE NUMBER OF
27 UNDERGRADUATE OR GRADUATE STUDENTS ELIGIBLE FOR A STIPEND

1 PURSUANT TO THIS PART 2.

2 (4) IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT THE
3 AMOUNT OF ANY STIPEND RECEIVED BY A STATE-SUPPORTED INSTITUTION
4 OF HIGHER EDUCATION PURSUANT TO THIS PART 2 SHALL NOT CONSTITUTE
5 A GRANT FROM THE STATE OF COLORADO PURSUANT TO SECTION 20 (2) (d)
6 OF ARTICLE X OF THE STATE CONSTITUTION.

7 **23-18-204. College and graduate opportunity savings accounts**
8 **- directive.** THE COMMISSION AND THE STATE TREASURER SHALL
9 COOPERATIVELY ESTABLISH A DISBURSEMENT SCHEDULE FOR STIPENDS
10 AWARDED PURSUANT TO THIS PART 2 TO INSURE THE MOST BENEFICIAL
11 CASH FLOW FOR STATE-SUPPORTED INSTITUTIONS OF HIGHER EDUCATION
12 AND TO MINIMIZE THE COST AND EFFECTS ON THE STATE GENERAL FUND.

13 PART 3

14 APPROPRIATIONS TO INSTITUTIONS
15 OR GOVERNING BOARDS

16 **23-18-301. Role and mission grants.** (1) (a) THE GENERAL
17 ASSEMBLY RECOGNIZES THE FINANCIAL STRAINS IMPOSED ON HIGHER
18 EDUCATION THROUGH THE LIMITATIONS ESTABLISHED IN SECTION 20 OF
19 ARTICLE X OF THE STATE CONSTITUTION AS WELL AS THE FINANCIAL
20 IMPACT OF THE ECONOMY ON GENERAL FUND APPROPRIATIONS IN STATE
21 FISCAL YEARS 2001-02 AND 2002-03. THE GENERAL ASSEMBLY ALSO
22 RECOGNIZES THAT THE CHANGES IN THE FINANCING OF HIGHER EDUCATION
23 IMPLEMENTED THROUGH THIS ARTICLE SHOULD NOT CAUSE FURTHER
24 FINANCIAL HARM TO THE INSTITUTIONS, NOTWITHSTANDING ANY
25 ENROLLMENT CHANGES. THEREFORE, IT IS THE INTENT OF THE GENERAL
26 ASSEMBLY, AS PART OF THE BUDGETING PROCESS FOR THE STATE FISCAL
27 YEAR 2004-05 AND EACH STATE FISCAL YEAR THEREAFTER, TO PROVIDE

1 FUNDING FOR ENROLLMENT CHANGES AS WELL AS INFLATIONARY
2 INCREASES CONCURRENT WITH THE IMPLEMENTATION OF THIS ARTICLE.

3 (b) THE GENERAL ASSEMBLY RECOGNIZES THAT, AS THE METHOD
4 OF FINANCING POSTSECONDARY EDUCATION CHANGES, STATE-SUPPORTED
5 INSTITUTIONS OF HIGHER EDUCATION SHOULD BE PROTECTED FROM
6 FINANCIAL DIFFICULTIES TO INSURE THAT THE INSTITUTIONS CAN MAINTAIN
7 HIGH QUALITY STANDARDS.

8 (2) (a) THE GENERAL ASSEMBLY SHALL MAKE AN ANNUAL
9 APPROPRIATION OF GENERAL FUND MONEYS AS A ROLE AND MISSION
10 GRANT TO A GOVERNING BOARD FOR THE OPERATION OF ITS CAMPUSES
11 THAT TAKES INTO CONSIDERATION THE DIFFERENCES AMONG INSTITUTIONS
12 THAT AFFECT COST AND THAT ARE CONSISTENT WITH THE HOLD HARMLESS
13 PROVISIONS AND RECOMMENDATIONS DEVELOPED BY THE COMMISSION
14 PURSUANT TO THIS SECTION.

15 (b) FOR THE STATE FISCAL YEAR 2004-05, EACH ROLE AND MISSION
16 GRANT TO AN INSTITUTION OF HIGHER EDUCATION SHALL EQUAL THE
17 APPROPRIATION FOR THE INSTITUTION FOR THE STATE FISCAL YEAR
18 2003-04, LESS ANY MONEY RECEIVED BY THE INSTITUTION AS COLLEGE OR
19 GRADUATE OPPORTUNITY SAVINGS STIPENDS AND REFLECTIVE OF ANY
20 ENROLLMENT CHANGES.

21 (c) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (3) OF THIS
22 SECTION, EACH GOVERNING BOARD SHALL ALLOCATE THE APPROPRIATIONS
23 RECEIVED PURSUANT TO THIS SUBSECTION (2) TO THE INSTITUTIONS UNDER
24 ITS CONTROL IN THE MANNER DEEMED MOST APPROPRIATE BY THE
25 GOVERNING BOARD.

26 (3) THE COMMISSION, IN CONSULTATION WITH THE GOVERNING
27 BOARDS, SHALL RECOMMEND TO THE GOVERNOR AND TO THE JOINT

1 BUDGET COMMITTEE OF THE GENERAL ASSEMBLY THE AMOUNT OF A ROLE
2 AND MISSION GRANT FOR A STATE-SUPPORTED INSTITUTION OF HIGHER
3 EDUCATION. THE PURPOSE OF THE ROLE AND MISSION GRANT TO AN
4 INSTITUTION SHALL BE TO RECOGNIZE HIGH COSTS ASSOCIATED WITH
5 CERTAIN ACADEMIC PROGRAMS, INCLUDING BUT NOT LIMITED TO
6 PROGRAMS DEALING WITH NATURAL AND PHYSICAL SCIENCES,
7 ENGINEERING, NURSING, HEALTH-RELATED FIELDS, LAW, ARCHITECTURE
8 AND PLANNING, DOCTORAL EDUCATION, VETERINARY MEDICINE, BASE
9 FUNDING, AND REGIONAL EDUCATION PROVIDERS. THE PURPOSE OF THE
10 ROLE AND MISSION GRANT TO AN INSTITUTION IS ALSO TO RECOGNIZE AND
11 SUPPORT THE COSTS ASSOCIATED WITH THE OFFERING OF BASIC SKILLS
12 COURSES, AS DEFINED IN SECTION 23-1-113 (1) (b) (II) (A.7), AND COSTS
13 ASSOCIATED WITH THE "POSTSECONDARY ENROLLMENT OPTIONS ACT",
14 ARTICLE 35 OF TITLE 22, C.R.S., AND THE HIGH SCHOOL FAST-TRACK
15 PROGRAM PURSUANT TO SECTION 22-34-101, C.R.S., CURRENTLY
16 AVAILABLE TO COLORADO STUDENTS. THESE COURSES AND PROGRAMS
17 SHALL BE FUNDED ON A FULL-TIME-EQUIVALENCY BASIS TO THE
18 INSTITUTION AT THE SAME RATE PER CREDIT HOUR AS THE AMOUNT OF THE
19 STIPENDS ESTABLISHED PURSUANT TO PART 2 OF THIS ARTICLE. THE ROLE
20 AND MISSION GRANTS MAY ALSO BE USED TO FUND AGENCIES
21 HISTORICALLY ASSOCIATED WITH A GOVERNING BOARD SUCH AS THE
22 COLORADO STATE FOREST SERVICE, THE COLORADO COOPERATIVE
23 EXTENSION SERVICE, AND THE AGRICULTURAL EXPERIMENT STATION.

24 (4) THE ANNUAL APPROPRIATIONS OF GENERAL FUND MONEYS
25 PURSUANT TO THIS SECTION ARE INTENDED TO BE IN ADDITION TO MONEYS
26 RECEIVED FROM THE COLLEGE AND GRADUATE OPPORTUNITY SAVINGS
27 ACCOUNT PROGRAMS AND ANY ADDITIONAL TUITION RECEIVED BY AN

1 INSTITUTION.

2 **23-18-302. Cash appropriations.** (1) THE GENERAL ASSEMBLY
3 SHALL MAKE ANNUAL APPROPRIATIONS OF CASH FUNDS AND EXEMPT CASH
4 FUNDS RECEIVED FROM THE COLLEGE AND GRADUATE OPPORTUNITY
5 STIPENDS PURSUANT TO PART 2 OF THIS ARTICLE AS A SINGLE LINE ITEM TO
6 EACH GOVERNING BOARD FOR THE OPERATION OF ITS CAMPUSES. EACH
7 GOVERNING BOARD SHALL ALLOCATE THE APPROPRIATIONS OF CASH
8 FUNDS AND EXEMPT CASH FUNDS RECEIVED FROM THE COLLEGE AND
9 GRADUATE OPPORTUNITY STIPENDS TO THE INSTITUTIONS UNDER ITS
10 CONTROL IN THE MANNER DEEMED MOST APPROPRIATE BY SUCH
11 GOVERNING BOARD.

12 (2) (a) IN ALLOCATING THE APPROPRIATIONS OF CASH FUNDS AND
13 EXEMPT CASH FUNDS RECEIVED FROM THE COLLEGE AND GRADUATE
14 OPPORTUNITY STIPENDS, EACH GOVERNING BOARD SHALL CONSIDER THE
15 PROGRESS MADE BY THE INSTITUTIONS UNDER ITS CONTROL TOWARD
16 ACHIEVING THE STATEWIDE EXPECTATIONS AND GOALS SPECIFIED IN
17 SECTION 23-13-104, AS MEASURED BY DATA RECEIVED THROUGH THE
18 QUALITY INDICATOR SYSTEM ESTABLISHED PURSUANT TO SECTION
19 23-13-105. THE GOVERNING BOARD SHALL ENSURE THAT ANY AMOUNT
20 REQUIRED TO BE SET ASIDE FOR APPLICATION TO ACHIEVING THE
21 STATEWIDE EXPECTATIONS AND GOALS PURSUANT TO SECTION 23-13-107
22 (1) (a) IS ALLOCATED FOR THAT PURPOSE.

23 (b) THE PROVISIONS OF PARAGRAPH (a) OF THIS SUBSECTION (2)
24 SHALL NOT APPLY TO THE BOARD OF TRUSTEES OF THE COLORADO SCHOOL
25 OF MINES WHO SHALL CONTINUE TO OPERATE UNDER THE PERFORMANCE
26 CONTRACT ESTABLISHED PURSUANT TO SECTION 23-41-104.6.

27 (3) NOTWITHSTANDING THE PROVISIONS OF SECTION 24-75-102,

1 C.R.S., THE GOVERNING BOARDS ARE AUTHORIZED TO RETAIN ALL MONEYS
2 APPROPRIATED PURSUANT TO THIS SECTION AND SECTION 23-1-118, OR
3 OTHERWISE GENERATED, FROM STATE FISCAL YEAR TO STATE FISCAL YEAR.

4 (4) ALL MONEYS RAISED BY A GOVERNING BOARD SHALL BE
5 AVAILABLE FOR EXPENDITURE ONLY BY THE GOVERNING BOARD AND
6 SHALL NOT BE TRANSFERRED OR OTHERWISE MADE AVAILABLE FOR
7 EXPENDITURE BY ANY OTHER GOVERNING BOARD.

8 **23-18-303. Establishment of annual allowable cash fund**
9 **revenues and expenditures by general assembly.** (1) THE GENERAL
10 ASSEMBLY HEREBY FINDS AND DECLARES THAT:

11 (a) SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION LIMITS
12 STATE FISCAL YEAR SPENDING;

13 (b) SUBJECT TO CERTAIN EXCLUSIONS SPECIFIED IN SECTION 20 OF
14 ARTICLE X OF THE STATE CONSTITUTION, ALL STATE GENERAL FUND
15 EXPENDITURES AND ALL STATE CASH FUND EXPENDITURES, INCLUDING
16 EXPENDITURES OF STATE-SUPPORTED INSTITUTIONS OF HIGHER EDUCATION,
17 ARE INCLUDED IN THE LIMITATION ON STATE FISCAL YEAR SPENDING;

18 (c) THE LEGISLATIVE POWERS OF THE GENERAL ASSEMBLY,
19 INCLUDING BUT NOT LIMITED TO ITS PLENARY POWER OF APPROPRIATION,
20 AUTHORIZE AND REQUIRE THE GENERAL ASSEMBLY TO ASSURE
21 COMPLIANCE WITH THE LIMITATION ON STATE FISCAL YEAR SPENDING AND
22 TO MAKE FUNDAMENTAL FISCAL POLICY DECISIONS ESTABLISHING THE
23 LEVEL OF ACTIVITY OF ALL DEPARTMENTS AND AGENCIES OF STATE
24 GOVERNMENT, INCLUDING STATE-SUPPORTED INSTITUTIONS OF HIGHER
25 EDUCATION; AND

26 (d) CONSONANT WITH THE EXERCISE OF SUCH LEGISLATIVE
27 POWERS, SUBJECT TO CERTAIN EXCLUSIONS IN SECTION 20 OF ARTICLE X

1 OF THE STATE CONSTITUTION, THE GENERAL ASSEMBLY MUST ESTABLISH
2 LIMITS ON THE AMOUNT OF CASH FUNDS WHICH SHALL BE RAISED, SPENT,
3 OR TRANSFERRED TO RESERVES BY THE GOVERNING BOARDS OF ALL
4 STATE-SUPPORTED INSTITUTIONS OF HIGHER EDUCATION AND EXERCISE
5 ANY OTHER NECESSARY CONTROLS ON CASH FUND REVENUES INCLUDING,
6 BUT NOT LIMITED TO, THE POWER OF APPROPRIATION.

7 (2) FOR THE 2004-05 STATE FISCAL YEAR AND STATE FISCAL YEARS
8 THEREAFTER, THE AMOUNT OF CASH FUNDS APPROPRIATED IN THE
9 GENERAL APPROPRIATIONS ACT BY THE GENERAL ASSEMBLY FOR THE
10 GOVERNING BOARDS FOR ALL STATE-SUPPORTED INSTITUTIONS OF HIGHER
11 EDUCATION SHALL EQUAL THE MAXIMUM AMOUNT OF CASH FUNDS THAT
12 SUCH GOVERNING BOARDS SHALL RAISE, SPEND, OR TRANSFER TO
13 RESERVES FOR THAT STATE FISCAL YEAR. THE AMOUNT OF CASH FUNDS
14 APPROPRIATED BY THE GENERAL ASSEMBLY PURSUANT TO THIS
15 SUBSECTION (2) SHALL BE BASED UPON THE DETERMINATION OF THE
16 LIMITATION ON STATE FISCAL YEAR SPENDING UNDER SECTION 20 OF
17 ARTICLE X OF THE STATE CONSTITUTION AND UPON DECISIONS
18 ESTABLISHING THE LEVEL OF ACTIVITY OF ALL DEPARTMENTS AND
19 AGENCIES OF STATE GOVERNMENT INCLUDING STATE-SUPPORTED
20 INSTITUTIONS OF HIGHER EDUCATION. FOR THE PURPOSES OF THIS
21 SECTION, "FISCAL YEAR SPENDING" SHALL NOT INCLUDE TRANSFERS
22 BETWEEN OR EXPENDITURES FROM RESERVES.

23 **23-18-304. Duties and powers of the commission with respect**
24 **to reporting policies.** THE COMMISSION SHALL PRESCRIBE UNIFORM
25 FINANCIAL REPORTING POLICIES, INCLUDING POLICIES FOR COUNTING AND
26 CLASSIFYING FULL-TIME EQUIVALENT STUDENTS, FOR THE INSTITUTIONS
27 AND GOVERNING BOARDS WITHIN THE STATE-SUPPORTED SYSTEM OF

1 HIGHER EDUCATION.

2 **23-18-305. Tuition - legislative findings.** (1) (a) THE GENERAL
3 ASSEMBLY FINDS THAT POSTSECONDARY EDUCATION IS A PRIVATE AS WELL
4 AS A PUBLIC GOOD OR BENEFIT. AS SUCH, THE GENERAL ASSEMBLY
5 RECOGNIZES THAT COLORADO RESIDENTS AND STUDENTS FROM OUTSIDE
6 OF COLORADO SHOULD BEAR SOME LEVEL OF FINANCIAL RESPONSIBILITY
7 FOR THE COST OF THEIR POSTSECONDARY EDUCATION.

8 (b) IN ORDER TO INCREASE ACCESS TO AND OPPORTUNITIES IN
9 POSTSECONDARY EDUCATION FOR THE CITIZENS OF COLORADO FOR THE
10 STATE FISCAL YEAR COMMENCING JULY 1, 2004, RESIDENT TUITION AT
11 COLORADO'S COMMUNITY COLLEGES SHALL BE DECREASED BY
12 TWENTY-FIVE PERCENT FROM THE AMOUNT CHARGED DURING THE FISCAL
13 YEAR PRECEDING THE INITIAL IMPLEMENTATION OF THIS ARTICLE. THIS
14 REDUCTION WILL BRING COLORADO COMMUNITY COLLEGE TUITION IN LINE
15 WITH THE NATIONAL AVERAGE, AT WHICH FULL-TIME RESIDENT STUDENTS
16 PAY APPROXIMATELY TWENTY-FIVE PERCENT OF INSTRUCTIONAL COSTS.

17 (2) (a) STARTING WITH THE STATE FISCAL YEAR COMMENCING JULY
18 1, 2004, AND FOR EACH STATE FISCAL YEAR THEREAFTER, UNLESS AN
19 ADDITIONAL INCREASE IN TUITION IS AUTHORIZED PURSUANT TO
20 SUBSECTION (4) OF THIS SECTION OR UNLESS OTHERWISE AUTHORIZED BY
21 STATUTE, THE COMMISSION SHALL RECOMMEND TO THE GOVERNOR AND
22 THE GENERAL ASSEMBLY AN INCREASE IN TUITION RATES AT
23 STATE-SUPPORTED INSTITUTIONS OF HIGHER EDUCATION FOR BOTH
24 RESIDENT AND NON-RESIDENT STUDENTS. THE INCREASE SHALL NOT
25 EXCEED THE RATE OF GROWTH OF THE PRIOR YEAR'S PER CAPITA PERSONAL
26 INCOME IN THE STATE AS DETERMINED BY THE UNITED STATES BUREAU OF
27 ECONOMIC ANALYSIS.

1 (b) STARTING WITH THE STATE FISCAL YEAR COMMENCING JULY 1,
2 2004, AND FOR EACH STATE FISCAL YEAR THEREAFTER, BASED UPON THE
3 INCREASE AUTHORIZED BY THE GENERAL ASSEMBLY, THE COMMISSION
4 SHALL ESTABLISH THE AMOUNT OF IN-STATE TUITION TO BE CHARGED BY
5 EACH STATE-SUPPORTED INSTITUTION OF HIGHER EDUCATION. THE
6 AMOUNT OF IN-STATE TUITION SHALL NOT EXCEED THE ACTUAL COST TO
7 THE INSTITUTION FOR PROVIDING SERVICES TO THE STUDENT.

8 (3) COMMENCING WITH THE 2004-05 STATE FISCAL YEAR AND FOR
9 EACH STATE FISCAL YEAR THEREAFTER, IT IS THE INTENT OF THE GENERAL
10 ASSEMBLY THAT FUTURE CHANGES TO GENERAL FUND APPROPRIATIONS
11 FOR HIGHER EDUCATION SHALL BE LIMITED TO:

12 (a) VARIATIONS IN THE NUMBER OF STUDENT STIPENDS RELATED
13 TO ENROLLMENT CHANGES;

14 (b) INFLATIONARY ADJUSTMENTS TO THE AMOUNT OF STUDENT
15 STIPENDS AND ROLE AND MISSION GRANTS; AND

16 (c) OTHER ADJUSTMENTS INCLUDING DECISION ITEM REQUESTS OR
17 GENERAL FUND RESCISSIONS.

18 (4) (a) STARTING WITH THE STATE FISCAL YEAR COMMENCING JULY
19 1, 2004, THE COMMISSION, AFTER CONSULTATION WITH THE GOVERNING
20 BOARDS, SHALL MAKE ANNUAL ADDITIONAL TUITION RECOMMENDATIONS
21 FOR STATE-SUPPORTED INSTITUTIONS OF HIGHER EDUCATION AND
22 GOVERNING BOARDS TO THE GENERAL ASSEMBLY AND THE GOVERNOR. IN
23 MAKING ITS RECOMMENDATIONS, THE COMMISSION SHALL CONSIDER EACH
24 GOVERNING BOARD'S AND EACH INSTITUTION'S LEVEL OF ACHIEVEMENT OF
25 THE STATEWIDE EXPECTATIONS AND GOALS SPECIFIED IN SECTION
26 23-13-104, AS MEASURED BY DATA COLLECTED THROUGH THE QUALITY
27 INDICATOR SYSTEM ESTABLISHED IN SECTION 23-13-105.

1 (b) THE GENERAL ASSEMBLY MAY ESTABLISH TUITION INCREASES
2 IN ADDITION TO INCREASES PERMITTED BY SUBSECTION (2) OF THIS
3 SECTION. AN ADDITIONAL INCREASE MADE PURSUANT TO THIS SUBSECTION
4 (4) SHALL BE SET FORTH IN A SEPARATE LINE ITEM FOR PURPOSES OF
5 ESTABLISHING SPENDING AUTHORITY.

6 (c) A STATE-SUPPORTED INSTITUTION OF HIGHER EDUCATION OR
7 GOVERNING BOARD THAT PARTICIPATES IN THE QUALITY INDICATOR
8 SYSTEM AND FAILS TO MEET OR EXCEED THE STATEWIDE GOALS AND
9 OBJECTIVES AS MEASURED BY THE QUALITY INDICATOR SYSTEM SHALL NOT
10 INCREASE TUITION OTHER THAN AS PERMITTED IN SUBSECTION (2) OF THIS
11 SECTION.

12 **23-18-306. Duties and powers of the commission - residency**
13 **status - funding recommendations.** (1) THE COMMISSION, AFTER
14 CONSULTATION WITH THE GOVERNING BOARDS, SHALL ESTABLISH POLICIES
15 FOR THE PUBLIC SYSTEM OF HIGHER EDUCATION FOR DETERMINING
16 STUDENT RESIDENCY STATUS FOR TUITION CLASSIFICATION PURPOSES
17 WITHIN STATUTORY GUIDELINES ESTABLISHED IN ARTICLE 7 OF THIS TITLE.

18 (2) THE FUNDING RECOMMENDATIONS MADE BY THE COMMISSION
19 FOR STATE-SUPPORTED INSTITUTIONS OF HIGHER EDUCATION PURSUANT TO
20 THIS PART 3 SHALL BE MADE TO THE GOVERNOR AND THE GENERAL
21 ASSEMBLY AS A PART OF THE BUDGET REQUEST FOR THE DEPARTMENT OF
22 HIGHER EDUCATION AND SHALL BE SUBMITTED IN ACCORDANCE WITH THE
23 BUDGET PROCEDURES OF PART 3 OF ARTICLE 37 OF TITLE 24, C.R.S., AND
24 IN CONFORMANCE WITH SECTION 24-75-201.1, C.R.S.

25 **23-18-307. Advances to alleviate cash flow management**
26 **problems - legislative declaration.** (1) THE GENERAL ASSEMBLY FINDS
27 AND DECLARES THAT BECAUSE OF THE CHANGES IN THE FINANCING OF

1 PUBLIC HIGHER EDUCATION:

2 (a) STATE-SUPPORTED INSTITUTIONS OF HIGHER EDUCATION WILL
3 NO LONGER HAVE THE SAME ACCESS TO STATE MONEYS;

4 (b) THOSE INSTITUTIONS MAY UNDERGO CASH FLOW MANAGEMENT
5 PROBLEMS, ESPECIALLY EARLY IN THE STATE FISCAL YEAR;

6 (c) IT IS APPROPRIATE FOR THE GENERAL ASSEMBLY TO ASSIST
7 THOSE INSTITUTIONS BY MAKING AVAILABLE INTEREST-FREE LOANS TO BE
8 REPAID BY THE INSTITUTION WHEN THE INSTITUTION RECEIVES TUITION
9 PAYMENTS.

10 (2) PURSUANT TO SECTION 24-75-203 (2), C.R.S., THE
11 CONTROLLER MAY AUTHORIZE AND THE TREASURER SHALL MAKE AN
12 ADVANCE WITHOUT INTEREST TO A GOVERNING BOARD TO ASSIST THE
13 GOVERNING BOARD IN MANAGING ITS CASH FLOW. NOTWITHSTANDING
14 THE LIMITATION IN SECTION 24-75-203 (2), C.R.S., THE CONTROLLER MAY
15 AUTHORIZE AN ADVANCE TO A GOVERNING BOARD IN EXCESS OF TWELVE
16 MILLION DOLLARS. ALL ADVANCES MADE PURSUANT TO THIS SECTION
17 SHALL BE REPAID WITHIN THE SAME STATE FISCAL YEAR IN WHICH THE
18 ADVANCE WAS MADE.

19 **SECTION 2.** 23-3.3-601 (1), Colorado Revised Statutes, is
20 amended to read:

21 **23-3.3-601. Educational exchange program.** (1) The
22 commission is directed to establish an educational exchange program
23 consistent with the national student exchange program. The commission
24 shall identify those circumstances under which the ~~waiving of the~~
25 ~~nonresident differential in tuition rates~~ AWARDING OF A STIPEND
26 PURSUANT TO PART 2 OF ARTICLE 18 OF THIS TITLE, on a reciprocal basis
27 with other states or foreign countries, would enhance the educational

1 experience for Colorado residents enrolled in state institutions. In
2 relation thereto, the commission shall:

3 (a) Consult with the governing bodies and departments of state
4 institutions in order to identify those classes and numbers of Colorado
5 residents enrolled in said institutions whose educational experience
6 would be enhanced by participation in said program; and

7 (b) Negotiate with the appropriate representatives of other states
8 or foreign countries with the objective of establishing reciprocal
9 agreements for waiving the nonresidential tuition differential for
10 Colorado residents enrolled in state institutions who wish to enroll in the
11 institutions of higher education in other states or foreign countries in
12 exchange for ~~the waiver of the nonresidential tuition differential~~
13 AWARDING OF STIPENDS PURSUANT TO PART 2 OF ARTICLE 18 OF THIS TITLE
14 for residents of said other states or foreign countries wishing to enroll in
15 state institutions. The number of resident students participating in the
16 educational exchange program shall be matched by an equal number of
17 nonresident students enrolling at Colorado institutions of higher
18 education.

19 **SECTION 3. Repeal.** 23-1-103.5, 23-1-104, 23-1-105, 23-1-108
20 (10), and 23-1-112, Colorado Revised Statutes, are repealed.

21 **SECTION 4. Effective date.** This act shall take effect upon
22 passage; except that sections 2 and 3 of this act shall take effect July 1,
23 2004.

24 **SECTION 5. Safety clause.** The general assembly hereby finds,
25 determines, and declares that this act is necessary for the immediate
26 preservation of the public peace, health, and safety.