CHAPTER 43	CH.	AP7	ΓER	43
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## **GOVERNMENT - STATE**

SENATE BILL 25-316

BY SENATOR(S) Amabile and Bridges, Kirkmeyer, Cutter, Exum, Jodeh, Michaelson Jenet; also REPRESENTATIVE(S) Taggart and Sirota, Bird, Clifford, Espenoza, Lindsay, Ricks, Smith, Valdez, Woodrow.

## AN ACT

CONCERNING REQUIREMENTS FOR MONEY APPROPRIATED TO THE DEPARTMENT OF HIGHER EDUCATION, AND, IN CONNECTION THEREWITH, MAKING ADJUSTMENTS TO APPROPRIATIONS MADE IN THE ANNUAL GENERAL APPROPRIATION ACT FOR THE 2025-26 STATE FISCAL YEAR AND MAKING AN APPROPRIATION.

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

**SECTION 1.** In Colorado Revised Statutes, **add** 23-70-118 and 23-70-119 as follows:

23-70-118. Requirements for money that is appropriated to the department of higher education for use by the Auraria higher education center in the 2025-26 state fiscal year - repeal. (1) Any money that the general assembly appropriates to the department of higher education for the Auraria higher education center to use for operational costs in the 2025-26 state fiscal year must be used as agreed upon by the constituent institutions in baseline service level agreements, including operational costs associated with:

- (a) BUILDING OPERATIONS AND MAINTENANCE;
- (b) CUSTODIAL OR JANITORIAL SERVICES;
- (c) THE AURARIA CAMPUS POLICE DEPARTMENT;
- (d) Business services;
- (e) CAMPUS PLANNING;

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) Events management in support of university- and student-led activities;
  - (g) COMMUNICATIONS; AND
  - (h) Public relations.
- (2) Any baseline service level agreement that the Auraria higher education center enters into using money appropriated by the general assembly for the 2025-26 state fiscal year must:
- (a) Be executed by the contracting parties no later than September 1, 2025, until which time Auraria higher education center and the constituent institutions shall operate according to existing service level agreements;
- (b) CLEARLY DESCRIBE THE SERVICES, SERVICE AND STAFFING LEVELS, AND PERFORMANCE EXPECTATIONS THAT ARE CONTRACTED FOR; AND
- (c) Provide that, if costs for services exceed the prices provided for in the baseline service level agreements, those excessive costs will not be assumed or incurred until an additional agreement that addresses the excessive costs is executed or until the original baseline service level agreement is amended.
- (3) In the 2025-26 state fiscal year, the Auraria higher education center shall manage all resources related to baseline service level agreements and goals and shall present quarterly updates regarding baseline service level agreements and goals to the constituent institutions.
- (4) The Auraria higher education center shall establish fee structures for the 2025-26 state fiscal year for all services that are not already provided for in the baseline service level agreements. The constituent institutions may enter into additional agreements with the Auraria higher education center for services that are not provided for in the baseline service level agreements, in which case the Auraria higher education center shall explain why the additional contracted services do not fall within the baseline service level agreements. The fee structures established pursuant to this subsection (4) must:
- (a) Clearly describe the services for which each fee structure is established; and
- (b) APPLY EACH FEE STRUCTURE CONSISTENTLY TO EACH CONSTITUENT INSTITUTION.
  - (5) This section is repealed, effective July 1, 2026.
- **23-70-119. Auraria comprehensive study.** (1) The constituent institutions and the Auraria higher education center shall contract with an

INDEPENDENT THIRD-PARTY ENTITY THAT SHALL CONDUCT A STUDY, REFERRED TO IN THIS SECTION AS THE "AURARIA COMPREHENSIVE STUDY". THE CONSTITUENT INSTITUTIONS AND THE AURARIA HIGHER EDUCATION CENTER SHALL AGREE UPON WHICH INDEPENDENT THIRD-PARTY ENTITY WILL CONDUCT THE AURARIA COMPREHENSIVE STUDY BEFORE EXECUTING A CONTRACT TO SELECT THE INDEPENDENT THIRD-PARTY ENTITY. IF THE CONSTITUENT INSTITUTIONS AND THE AURARIA HIGHER EDUCATION CENTER DO NOT AGREE UPON AN INDEPENDENT THIRD-PARTY ENTITY BY AUGUST 1,2025, THE COLORADO COMMISSION ON HIGHER EDUCATION SHALL, NO LATER THAN AUGUST 31,2025, SELECT THE INDEPENDENT THIRD-PARTY ENTITY FROM OPTIONS PROPOSED BY THE CONSTITUENT INSTITUTIONS.

- (2) THE AURARIA COMPREHENSIVE STUDY MUST EXAMINE:
- (a) The money that the general assembly appropriates to the department of higher education that is used in connection with the Auraria higher education center; the accounting of such money, and any appropriations or transfers of such money, in accordance with section 20 of article X of the state constitution; and recommendations for future appropriations that will be used in connection with the Auraria higher education center;
  - (b) THE OPERATIONS OF THE AURARIA CAMPUS; AND
- (c) The services provided to students by the constituent institutions and by the Auraria board of directors through the Auraria higher education center.
- (3) The independent third-party entity shall present the findings of the Auraria comprehensive study in a report addressed to the constituent institutions, the Auraria higher education center, the joint budget committee, the office of state planning and budgeting, and the Colorado commission on higher education by December 31, 2025; except that, if the independent third-party entity cannot complete the report by December 31, 2025, due to unforeseen circumstances, the independent third-party entity shall notify the constituent institutions and the Auraria higher education center and shall present the report no later than January 30, 2026. The report must include:
- (a) Findings related to the statutory design, governance, operations, and financial structure of the current shared Auraria campus;
- (b) RECOMMENDATIONS OF ANY STATUTORY OR OPERATIONAL CHANGES THAT THE INDEPENDENT THIRD-PARTY ENTITY BELIEVES WOULD YIELD MORE EFFICIENT, MISSION-ALIGNED SERVICES FOR THE AURARIA HIGHER EDUCATION CENTER, THE CONSTITUENT INSTITUTIONS, AND THE STUDENTS ATTENDING THE CONSTITUENT INSTITUTIONS;
- (c) ESTIMATES OF THE FINANCIAL IMPACTS THAT THE RECOMMENDATIONS WOULD HAVE ON THE STATE AND THE CONSTITUENT INSTITUTIONS; AND

- (d) Feedback from each constituent institution and the Auraria higher education center relating to the recommendations.
- (4) The Auraria higher education center and the constituent institutions shall participate in the Auraria comprehensive study and engage in and respond to any inquiries from the independent third-party entity, including inquiries related to personnel, business documentation, financial data, the coordination of the provision of student services, and internal records related to the facility, operations, and development of the Auraria campus. The constituent institutions and the Auraria higher education center shall convene to receive updates related to the Auraria comprehensive study from the independent third-party entity at least twice during the period of the Auraria comprehensive study.
  - (5) THE AURARIA COMPREHENSIVE STUDY MUST INCLUDE THE FOLLOWING:
- (a) A REVIEW OF ALL PLANS AND STUDIES CONDUCTED IN THE PAST FIFTEEN YEARS REGARDING THE MISSION, VISION, AND DEVELOPMENT OF THE AURARIA CAMPUS, PLUS A REVIEW OF PLANS AND STUDIES THAT ARE OLDER THAN FIFTEEN YEARS IF DEEMED RELEVANT BY THE INDEPENDENT THIRD-PARTY ENTITY;
- (b) An evaluation of the statutory design and mission of the Auraria campus, including:
- (I) An analysis of the statutory requirements and powers of the Auraria higher education center and the constituent institutions to identify whether current activities align with provisions in the Colorado Revised Statutes and to what extent those provisions result in cost and operational efficiencies for the constituent institutions;
- (II) A description and assessment of the current state of the Auraria higher education center, including the context of the center's scope, capabilities, resources, performance, culture, dependencies, infrastructure, personnel, external influences, and other relevant elements;
- (III) TO WHAT EXTENT THE AURARIA HIGHER EDUCATION CENTER'S CURRENT DISPOSITION, AS DESCRIBED IN SUBSECTION (5)(b)(II) OF THIS SECTION, FACILITATES OR INHIBITS THE CENTER'S STATUTORY MISSION ALIGNMENT AND OPERATIONAL EFFICIENCIES;
- (IV) A DESCRIPTION AND ASSESSMENT OF EACH CONSTITUENT INSTITUTION, INCLUDING THE INSTITUTIONS' EDUCATIONAL FOOTPRINT ON THE CAMPUS, THE FOOTPRINT OF AND ACCESS TO INSTITUTION-OWNED FACILITIES, AND OTHER COORDINATION AMONG THE CONSTITUENT INSTITUTIONS IN DELIVERING SERVICES TO STUDENTS;
- (V) AN EVALUATION OF THE IMPACT ON AND SERVICE OF DISPLACED AURARIANS, DONE IN CONSULTATION WITH A DESIGNEE OF THE AURARIA BOARD OF DIRECTORS; AND

- (VI) Recommendations of possible statutory changes that would more clearly define the mission of the Auraria campus and delineate the duties and responsibilities of each entity in supporting the mission;
- (c) An evaluation of the current governance model of the Auraria campus, including:
- (I) An analysis of the composition of the Auraria board of directors, including the board's ability to fulfill its statutory purposes, mitigate conflicts of interest, and arbitrate campus disputes; and
- (II) AN ANALYSIS OF THE EXTENT TO WHICH A MODEL OF GOVERNANCE SHARED BY THE CONSTITUENT INSTITUTIONS, AS OPPOSED TO GOVERNANCE BY THE AURARIA BOARD OF DIRECTORS, WOULD BE PRACTICABLE AND THE EXTENT TO WHICH A SHARED GOVERNANCE MODEL MIGHT YIELD GREATER MISSION ALIGNMENT AND MORE EFFICIENT DELIVERY OF SERVICES TO STUDENTS;
- (d) An evaluation of the operations and management structures under the current governance model of the Auraria campus, including:
- (I) An analysis of the timeliness and cost of current service delivery and functions; and
- (II) A REVIEW OF THE OPERATIONAL CONTROL AND FISCAL RESPONSIBILITY OF ALL AURARIA CAMPUS FACILITIES, INCLUDING THE EXTENT TO WHICH CURRENT OPERATIONS FULFILL THE MISSION OF THE CAMPUS AND YIELD THE MOST COST EFFECTIVE RESULTS FOR ALL PARTIES:
- (e) A COMPARISON OF THE CURRENT GOVERNANCE MODEL OF THE AURARIA CAMPUS TO ALTERNATIVE GOVERNANCE MODELS WHICH MAY YIELD GREATER EFFICIENCIES IN SERVICE DELIVERY, INCLUDING:
- (I) Whether efficiency could be improved by transferring existing functions such as campus security and policing, facilities management, parking management, library services, food services, human resources, information technology, procurement, events management, nonacademic student services, and risk management between constituent institutions or the Auraria higher education center;
- (II) Whether efficiency could be improved by consolidating existing functions such as campus security and policing, facilities management, parking management, library services, human resources, information technology, procurement, events management, nonacademic student services, and risk management within constituent institutions or the Auraria higher education center;
- (III) WHETHER OPERATIONAL CONTROL AND FISCAL RESPONSIBILITY COULD BE IMPROVED FOR THE COLLECTIVE OR INDIVIDUAL CONSTITUENT INSTITUTIONS BY RESTRUCTURING FISCAL MANAGEMENT OF SOME OR ALL RESPONSIBILITIES; AND

- (IV) Whether certain services would best be governed and delivered under a centralized, decentralized, or hybrid governance model; and
- (f) An evaluation of the financial supports and structures of Auraria campus governance and operations, including:
- (I) An analysis of the appropriate level of Baseline funding for Services delivered on the Auraria campus, accounting for inflation and other drivers of costs such as insurance;
- (II) An analysis of any public-private developments pursuant to section 23-70-105.5 and whether and the extent to which the developments support the sustainability and mission of the Auraria campus;
- (III) A REVIEW OF THE AURARIA HIGHER EDUCATION CENTER'S REVENUE STREAMS AND THE EXTENT TO WHICH ADDITIONAL REVENUE STREAMS, SUCH AS AUXILIARY SERVICES REVENUE AND FEE REVENUE, SHOULD SUPPORT THE DELIVERY OF SERVICES;
- (IV) An analysis of fiscal restraints on the constituent institutions and the Auraria higher education center regarding the provision of services, such as revenue generation and expense characteristics;
- (V) An analysis of the fiscal impacts of proposed changes to the Colorado state budget; and
- (VI) An analysis of impacts related to Colorado's demographic changes, increased competition, and changes to the higher education market, including the changes in student educational modality and the distribution of in-person, hybrid, and online students.
- (6) The constituent institutions may seek, accept, and expend gifts, grants, or donations from private or public sources for the purpose of funding the Auraria comprehensive study. The constituent institutions shall enter into a cost-sharing agreement to pay for the Auraria comprehensive study using gifts, grants, and donations.
- **SECTION 2. Appropriation adjustments to 2025 long bill.** (1) To implement this act, appropriations made in the annual general appropriation act for the 2025-26 state fiscal year to the department of higher education are adjusted as follows:
- (a) The general fund appropriation for the college opportunity fund program for fee-for-service contracts with state institutions pursuant to section 23-18-303.5, C.R.S., is decreased by \$31,435,042;
- (b) The reappropriated funds appropriations from fee-for-service contracts with state institutions pursuant to section 23-18-303.5, C.R.S., under subsection (1)(a) of this section are decreased as follows:

## **Governing Boards**

trustees of Metropolitan state university of Denver -\$15,623,129
regents of the university of Colorado -\$11,739,171
state board for community colleges and occupational
education state system community colleges -\$4,072,742

- (c) The reappropriated funds appropriation for Auraria higher education center administration is decreased by \$31,435,042. This amount originates from the appropriations in the general appropriations act to the governing boards for the state board for community colleges and occupational education state system community colleges, the trustees of Metropolitan state university of Denver, and the regents of the university of Colorado.
- **SECTION 3. Appropriation.** (1) For the 2025-26 state fiscal year, \$31,435,042 is appropriated to the department of higher education for use by the Auraria higher education center. This appropriation is from the general fund. To implement this act, the department may use this appropriation as follows:
  - (a) \$29,545,253 for operational costs; and
  - (b) \$1,889,789 for deferred maintenance projects.
- **SECTION 4. Safety clause.** The general assembly finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, or safety or for appropriations for the support and maintenance of the departments of the state and state institutions.

Approved: June 4, 2025