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HOUSE BILL 14-1384

BY REPRESENTATIVE(S) Pettersen and McNulty, Buckner, Garcia, Melton, Moreno, Ryden, Singer, Vigil, Duran, Exum, Fields, Gerou, Ginal, Hamner, Hullinghorst, Labuda, Lebsock, Lee, Mitsch Bush, Primavera, Salazar, Schafer, Tyler, Williams, Young, Ferrandino, Becker, Court, Fischer, Kagan, Kraft-Tharp, Rosenthal, Stephens;  
also SENATOR(S) Ulibarri and Crowder, Heath, Johnston, Jones, Kefalas, Kerr, Newell, Schwartz, Todd.

CONCERNING RIGOR-BASED TUITION ASSISTANCE FOR STUDENTS AT POSTSECONDARY INSTITUTIONS, AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.

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

**SECTION 1.** In Colorado Revised Statutes, **add** part 10 to article 3.3 of title 23 as follows:

PART 10  
COLORADO OPPORTUNITY  
SCHOLARSHIP INITIATIVE

**23-3.3-1001. Legislative declaration.** (1) THE GENERAL ASSEMBLY HEREBY DECLARES THAT THE COLORADO OPPORTUNITY

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*Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.*

SCHOLARSHIP INITIATIVE CREATED IN THIS PART 10 IS INTENDED TO:

(a) AWARD SCHOLARSHIPS OR GRANTS BASED UPON A RIGOR-BASED METHOD THAT EMPHASIZES STUDENT COMMITMENT TO ACADEMIC ACHIEVEMENT AND SUCCESSFUL PLACEMENT IN THE WORKFORCE AND ENSURING THAT PARTICIPATING STUDENTS AND INSTITUTIONS BE HELD ACCOUNTABLE THROUGH MEASURABLE OUTCOMES; AND

(b) DEVELOP THE CONNECTIONS AND COMMUNITY PARTNERSHIPS NECESSARY TO ENSURE THAT EVERY COLORADO STUDENT HAS THE SUPPORT NEEDED TO ENTER A POSTSECONDARY OPPORTUNITY, PERSIST AND SUCCEED, AND ENTER HIS OR HER DESIRED POSITION IN THE WORKFORCE.

(2) IT IS THE INTENT OF THE GENERAL ASSEMBLY TO MATCH NON-PROFIT AND PRIVATE FINANCIAL CONTRIBUTIONS TO THE COLORADO OPPORTUNITY SCHOLARSHIP INITIATIVE WITH ANNUAL CONTRIBUTIONS FROM THE GENERAL FUND SO THAT A SUSTAINABLE CORPUS IS CREATED TO FUND SCHOLARSHIP AWARDS IN FUTURE YEARS. WHENEVER PRACTICABLE, THE ANNUAL MATCH SHOULD BE IN AN AMOUNT THAT IS SIGNIFICANT ENOUGH TO ATTRACT CONTINUED INVESTMENT BY COMMUNITY PARTNERS.

**23-3.3-1002. Definitions.** AS USED IN THIS PART 10, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(1) "BOARD" MEANS THE COLORADO OPPORTUNITY SCHOLARSHIP INITIATIVE ADVISORY BOARD CREATED IN SECTION 23-3.3-1004.

(2) "DEPARTMENT" MEANS THE DEPARTMENT OF HIGHER EDUCATION CREATED PURSUANT TO SECTION 24-1-114, C.R.S.

(3) "DIRECTOR" MEANS THE DIRECTOR OF THE INITIATIVE.

(4) "EXECUTIVE DIRECTOR" MEANS THE EXECUTIVE DIRECTOR OF THE COLORADO COMMISSION ON HIGHER EDUCATION.

(5) "FUND" MEANS THE COLORADO OPPORTUNITY SCHOLARSHIP INITIATIVE FUND CREATED IN SECTION 23-3.3-1005.

(6) "INITIATIVE" MEANS THE COLORADO OPPORTUNITY SCHOLARSHIP INITIATIVE CREATED IN SECTION 23-3.3-1003.

(7) "NONPROFIT ORGANIZATION" MEANS A TAX-EXEMPT CHARITABLE OR SOCIAL WELFARE ORGANIZATION OPERATING UNDER SECTION 501 (c) (3) OR 501 (c) (4) OF TITLE 26 OF THE UNITED STATES CODE, THE FEDERAL "INTERNAL REVENUE CODE OF 1986", AS AMENDED.

(8) "PRECOLLEGIATE ORGANIZATION" MEANS A STATE- OR FEDERALLY FUNDED PROGRAM OFFERING POSTSECONDARY WORKFORCE-READY OPTIONS TO COLORADO STUDENTS.

(9) "TUITION ASSISTANCE" MEANS FINANCIAL ASSISTANCE TO AN ELIGIBLE STUDENT OF AN ELIGIBLE INSTITUTION, INCLUDING SUCH FINANCIAL ASSISTANCE AS IS NECESSARY TO PAY THE COSTS OF TUITION, FEES, BOOKS, HOUSING, FOOD, AND TRANSPORTATION.

**23-3.3-1003. Colorado opportunity scholarship initiative - created - report.** (1) THERE IS CREATED THE COLORADO OPPORTUNITY SCHOLARSHIP INITIATIVE WITHIN THE DEPARTMENT. THE EXECUTIVE DIRECTOR OR HIS OR HER DESIGNEE SHALL APPOINT THE DIRECTOR OF THE INITIATIVE FROM EXISTING PERSONNEL WHO SHALL ADMINISTER THE INITIATIVE IN ACCORDANCE WITH RULES PROMULGATED BY THE BOARD PURSUANT TO SECTION 23-3.3-1004 (4).

(2) ON OR BEFORE JUNE 30, 2015, THE DIRECTOR OF THE INITIATIVE SHALL REPORT TO THE EDUCATION COMMITTEES OF THE HOUSE OF REPRESENTATIVES AND SENATE, OR TO ANY SUCCESSOR COMMITTEES, CONCERNING THE RECOMMENDATIONS PREPARED BY THE BOARD PURSUANT TO SECTION 23-3.3-1004 (4) (c).

**23-3.3-1004. Colorado opportunity scholarship initiative advisory board - created - duties - rules.** (1) THERE IS CREATED THE COLORADO OPPORTUNITY SCHOLARSHIP INITIATIVE ADVISORY BOARD, WHICH SHALL CONSIST OF THE EXECUTIVE COMMITTEE OF THE STATE WORK FORCE DEVELOPMENT COUNCIL CREATED IN SECTION 24-46.3-101, C.R.S., AS DESCRIBED IN THE BYLAWS OF THE COUNCIL, AS WELL AS THE FOLLOWING THREE PERSONS, TO BE APPOINTED BY THE GOVERNOR OR HIS OR HER DESIGNEE:

(a) ONE PERSON REPRESENTING THE FOUR-YEAR RESEARCH INSTITUTIONS OF HIGHER EDUCATION IN THE STATE;

(b) ONE PERSON REPRESENTING THE SYSTEM OF FOUR-YEAR POSTSECONDARY INSTITUTIONS IN THE STATE; AND

(c) ONE PERSON REPRESENTING THE COMMUNITY COLLEGES AND AREA VOCATIONAL DISTRICTS OF THE STATE.

(2) THE GOVERNOR OR HIS OR HER DESIGNEE SHALL MAKE HIS OR HER APPOINTMENTS TO THE BOARD ON OR BEFORE AUGUST 1, 2014. THE MEMBERS OF THE BOARD SHALL ELECT PRESIDING OFFICERS FOR THE BOARD, INCLUDING A CHAIR AND VICE-CHAIR, FROM AMONG THE BOARD MEMBERS APPOINTED PURSUANT TO SUBSECTION (1) OF THIS SECTION, WHICH PRESIDING OFFICERS SHALL SERVE TERMS OF TWO YEARS. BOARD MEMBERS MAY REELECT A PRESIDING OFFICER.

(3) EACH MEMBER OF THE BOARD APPOINTED BY THE GOVERNOR OR HIS OR HER DESIGNEE SHALL SERVE AT THE PLEASURE OF THE GOVERNOR OR HIS OR HER DESIGNEE FOR A TERM OF FOUR YEARS. THE GOVERNOR OR HIS OR HER DESIGNEE MAY REAPPOINT THE MEMBER FOR AN ADDITIONAL TERM OR TERMS. MEMBERS OF THE BOARD SHALL SERVE WITHOUT COMPENSATION.

(4) THE BOARD SHALL HOLD ITS FIRST MEETING ON OR BEFORE NOVEMBER 1, 2014, AT A TIME AND PLACE TO BE DESIGNATED BY THE EXECUTIVE DIRECTOR OR BY HIS OR HER DESIGNEE. THE BOARD SHALL MEET AT LEAST FOUR TIMES EACH YEAR AND SHALL CARRY OUT THE FOLLOWING DUTIES:

(a) PROMULGATE RULES FOR ADMINISTRATION OF THE INITIATIVE, INCLUDING BUT NOT LIMITED TO THE FOLLOWING:

(I) CRITERIA FOR ELIGIBILITY OF STATE AGENCIES, NONPROFIT ORGANIZATIONS, AND PUBLIC INSTITUTIONS OF HIGHER EDUCATION TO PARTICIPATE IN THE INITIATIVE;

(II) CRITERIA FOR ELIGIBILITY OF STUDENTS TO APPLY FOR AND RECEIVE GRANTS FROM THE INITIATIVE, WHICH CRITERIA SHALL INCLUDE CONSIDERATION OF AN APPLICANT STUDENT'S:

(A) COURSES OF STUDY;

(B) COMMITMENT TO ACADEMIC ACHIEVEMENT;

(C) WORK EXPERIENCE;

(D) COMMUNITY INVOLVEMENT; AND

(E) EXTRACURRICULAR ACTIVITIES;

(III) RULES ESTABLISHING PERMISSIBLE USES OF GRANT AND SCHOLARSHIP MONEYS FROM THE INITIATIVE, WHICH RULES SHALL STIPULATE THAT:

(A) NOT MORE THAN TEN PERCENT OF THE MONEYS IN THE FUND IN ANY FISCAL YEAR MAY BE AWARDED TO STATE AGENCIES AND NONPROFIT ORGANIZATIONS TO ASSIST SUCH AGENCIES AND ORGANIZATIONS WITH ENSURING THAT STUDENT-SUCCESS, PRECOLLEGIATE, POSTSECONDARY STUDENT SUPPORT SERVICES ARE AVAILABLE TO STUDENTS WHO ARE CLASSIFIED AS COLORADO RESIDENTS FOR TUITION PURPOSES; INCREASING THE CAPACITY FOR STUDENT SUPPORT SERVICES AT POSTSECONDARY INSTITUTIONS; AND DEVELOPING CONNECTIONS BETWEEN LOCAL EMPLOYERS, PUBLIC SCHOOLS, PRECOLLEGIATE ORGANIZATIONS, AND POSTSECONDARY INSTITUTIONS;

(B) OF THE MONEYS DESCRIBED IN SUB-SUBPARAGRAPH (A) OF THIS SUBPARAGRAPH (III), AT LEAST SEVENTY PERCENT MUST BE AWARDED TO NONGOVERNMENTAL ENTITIES;

(C) ANY MONEYS APPROPRIATED TO THE FUND THAT ARE NOT USED FOR THE PURPOSES DESCRIBED IN SUB-SUBPARAGRAPH (A) OF THIS SUBPARAGRAPH (III), OR TO PAY THE DIRECT AND INDIRECT COSTS OF ADMINISTERING THE INITIATIVE AS DESCRIBED IN SECTION 23-3.3-1005 (4), MUST BE USED TO BUILD A FINANCIAL CORPUS CAPABLE OF PROVIDING TUITION ASSISTANCE TO ELIGIBLE COLORADO STUDENTS IN COLORADO WHO WILL ATTEND ELIGIBLE INSTITUTIONS OF HIGHER EDUCATION WITHIN THE STATE. TUITION ASSISTANCE PROVIDED PURSUANT TO THIS SUB-SUBPARAGRAPH (B) MAY TAKE THE FORM OF DIRECT AWARDS, MATCHING INCENTIVES TO CREATE OR INCREASE THE NUMBER OF OTHER SCHOLARSHIPS, LOANS, OR ANY COMBINATION THEREOF.

(D) TO THE EXTENT PRACTICABLE, GRANTS OF TUITION ASSISTANCE

MUST BE AWARDED TO STUDENTS REPRESENTING RURAL AND URBAN AREAS OF THE STATE AND TO STUDENTS ATTENDING PUBLIC VOCATIONAL SCHOOLS, COMMUNITY COLLEGES, FOUR-YEAR INSTITUTIONS OF HIGHER EDUCATION, AND RESEARCH INSTITUTIONS; AND

(E) TO THE EXTENT PRACTICABLE, TUITION ASSISTANCE MUST BE EVENLY DISTRIBUTED BETWEEN STUDENTS WHO ARE ELIGIBLE FOR FEDERAL PELL GRANTS AND STUDENTS WHOSE HOUSEHOLD INCOMES ARE BETWEEN ONE HUNDRED PERCENT AND TWO HUNDRED FIFTY PERCENT OF THE MAXIMUM PERMISSIBLE INCOME FOR THE PURPOSE OF DETERMINING ELIGIBILITY FOR PELL GRANTS;

(IV) CRITERIA FOR EVALUATING THE EFFECTIVENESS OF THE INITIATIVE IN IMPROVING HIGHER EDUCATION OUTCOMES IN THE STATE, WHICH CRITERIA MUST INCLUDE, BUT NEED NOT BE LIMITED TO:

(A) REDUCTIONS IN REMEDIATION RATES AND ASSOCIATED COSTS;

(B) INCREASES IN GRADUATION RATES;

(C) REDUCTIONS IN AVERAGE TIME REQUIRED TO EARN A DEGREE;

(D) INCREASES IN STUDENT RETENTION RATES;

(E) REDUCTIONS IN DISPARITIES BETWEEN THE ACADEMIC ACHIEVEMENTS OF CERTAIN STUDENT POPULATIONS BASED ON DEMOGRAPHIC, GEOGRAPHIC, AND ECONOMIC INDICATORS;

(F) ADOPTION OF BEST PRACTICES FOR STUDENT SUPPORT SERVICES;

(G) FULFILLMENT OF LOCAL WORKFORCE NEEDS;

(H) REDUCTIONS IN STUDENT LOAN DEBT;

(I) IMPROVEMENTS IN TUITION AFFORDABILITY; AND

(J) IMPROVEMENTS IN STUDENTS' ACCESS TO FEDERAL GRANT PROGRAMS AND OTHER FEDERAL SOURCES OF SUPPORT FOR POSTSECONDARY STUDENTS;

(b) IDENTIFY AND CONSIDER THE FEASIBILITY OF POTENTIAL

FUNDING SOURCES FOR THE INITIATIVE, INCLUDING BUT NOT LIMITED TO:

(I) THE IMPLEMENTATION OF AN INCOME TAX CREDIT FOR TAXPAYERS OF THE STATE WHO ELECT TO MAKE A CONTRIBUTION TO THE FUND; AND

(II) ANY FUNDRAISING FOR THE INITIATIVE THAT MAY RESULT FROM A MEMORANDUM OF UNDERSTANDING EXECUTED BETWEEN THE BOARD AND A NONPROFIT ORGANIZATION, AS DESCRIBED IN SUBSECTION (5) OF THIS SECTION; AND

(c) ON OR BEFORE MAY 30, 2015, PREPARE AND SUBMIT TO THE DIRECTOR ANY RECOMMENDATIONS THE BOARD HAS FOR THE GENERAL ASSEMBLY CONCERNING THE IMPLEMENTATION OF THE INITIATIVE. THE DIRECTOR SHALL REPORT THE RECOMMENDATIONS OF THE BOARD TO THE EDUCATION COMMITTEES OF THE HOUSE OF REPRESENTATIVES AND SENATE, OR TO ANY SUCCESSOR COMMITTEES, AS DESCRIBED IN SECTION 23-3.3-1003 (2).

(5) THE BOARD MAY ENTER INTO A MEMORANDUM OF UNDERSTANDING WITH A NONPROFIT ORGANIZATION FOR THE PURPOSE OF RAISING MONEYS FOR THE INITIATIVE.

**23-3.3-1005. Colorado opportunity scholarship initiative fund - created - rules.** (1) THERE IS CREATED IN THE STATE TREASURY THE COLORADO OPPORTUNITY SCHOLARSHIP INITIATIVE FUND, WHICH CONSISTS OF:

(a) ANY MONEYS APPROPRIATED TO THE FUND BY THE GENERAL ASSEMBLY;

(b) ANY MONEYS TRANSFERRED TO THE FUND FROM ANY OTHER FUND; AND

(c) ANY MONEYS RECEIVED BY THE DEPARTMENT AS GIFTS, GRANTS, OR DONATIONS PURSUANT TO SUBSECTION (3) OF THIS SECTION.

(2) THE MONEYS IN THE FUND ARE CONTINUOUSLY APPROPRIATED TO THE DEPARTMENT FOR THE PURPOSES DESCRIBED IN THIS PART 10. ALL INTEREST DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEYS IN THE

FUND MUST REMAIN IN THE FUND. ANY UNEXPENDED OR UNENCUMBERED MONEYS REMAINING IN THE FUND AT THE END OF A FISCAL YEAR MUST REMAIN IN THE FUND AND NOT BE TRANSFERRED OR CREDITED TO THE GENERAL FUND OR ANOTHER FUND.

(3) THE DEPARTMENT IS AUTHORIZED TO ACCEPT ANY GIFTS, GRANTS, OR DONATIONS FROM ANY PRIVATE OR PUBLIC SOURCE ON BEHALF OF THE STATE FOR THE PURPOSES DESCRIBED IN THIS PART 10. THE DEPARTMENT SHALL TRANSMIT ALL SUCH GIFTS, GRANTS, AND DONATIONS TO THE STATE TREASURER, WHO SHALL CREDIT THE SAME TO THE FUND.

(4) THE DEPARTMENT IS AUTHORIZED TO SPEND NOT MORE THAN THREE PERCENT OF THE MONEYS IN THE FUND TO PAY THE DIRECT AND INDIRECT COSTS OF ADMINISTERING THE INITIATIVE IN ANY FISCAL YEAR.

(5) THE BOARD MAY PROMULGATE RULES FOR THE ADMINISTRATION OF THE FUND.

**SECTION 2.** In Colorado Revised Statutes, 24-46.3-101, **add** (12) as follows:

**24-46.3-101. State work force development council - creation - membership.** (12) (a) THE MEMBERS OF THE EXECUTIVE COMMITTEE OF THE STATE COUNCIL SHALL SERVE AS MEMBERS OF THE COLORADO OPPORTUNITY SCHOLARSHIP INITIATIVE ADVISORY BOARD CREATED PURSUANT TO SECTION 23-3.3-1004, C.R.S.

(b) THE EXECUTIVE COMMITTEE OF THE STATE COUNCIL SHALL IDENTIFY STAFF MEMBERS WITHIN THE DEPARTMENT OF EDUCATION CREATED PURSUANT TO SECTION 24-1-115, THE DEPARTMENT OF HIGHER EDUCATION CREATED PURSUANT TO SECTION 24-1-114, AND THE DEPARTMENT OF LABOR AND EMPLOYMENT CREATED PURSUANT TO SECTION 24-1-121 WHO SHALL BE CHARGED WITH ASSISTING THE STATE COUNCIL IN FULFILLING ITS DUTIES PURSUANT TO THIS SUBSECTION (12).

**SECTION 3.** In Colorado Revised Statutes, 23-3.1-206.2, **add** (3) as follows:

**23-3.1-206.2. Financial need scholarships and grants - fund - repeal.** (3) THIS SECTION IS REPEALED, EFFECTIVE SEPTEMBER 1, 2014. THE STATE TREASURER SHALL TRANSFER ANY MONEYS REMAINING IN THE FUND



ON SUCH DATE TO THE COLORADO OPPORTUNITY SCHOLARSHIP INITIATIVE FUND CREATED IN SECTION 23-3.3-1004.

**SECTION 4.** In Colorado Revised Statutes, 23-3.1-205.4, **amend** (1) (c) (I), (1) (c) (II); and **repeal** (1) (c) (III) and (1) (c) (IV) as follows:

**23-3.1-205.4. Collegeinvest fund - creation - control - use.**

(1) (c) Notwithstanding any provision of paragraph (a) of this subsection (1) to the contrary, if the authority or any other division of the department sells, transfers, or enters into a contract with another entity concerning all or any portion of the authority's or division's interest in any student loans or student obligations, the authority or the division shall deposit the net proceeds of the sale, transfer, or contract as follows:

(I) Up to five million dollars shall remain in the reserve account in the collegeinvest fund, which account is hereby created, and may be used: To fund the repurchase of student loans sold by the authority if a guarantee agency refuses to honor a claim filed with respect to any such loans on account of an event that occurred prior to the sale; and to pay all liabilities, costs, and expenses with respect to the authority's programs to undertake forgiveness of indebtedness under such student loans sold by the authority. ~~Any moneys remaining in the reserve account as of January 1, 2011, shall be transferred to the financial need scholarship fund created in section 23-3.1-206.2.~~

(II) After the retention of the amount required in subparagraph (I) of this paragraph (c), up to five million dollars of the remaining proceeds shall remain in the transition account in the collegeinvest fund, which account is hereby created to pay costs and expenses associated with the transition and wind-down of the authority's student loan program. Any expenditure from the transition account in excess of one hundred thousand dollars shall require the approval of the executive director. ~~Any moneys remaining in the transition account as of January 1, 2011, shall be transferred to the financial need scholarship fund created in section 23-3.1-206.2.~~

~~(III) After the retention of the amounts required in subparagraphs (I) and (II) of this paragraph (c), up to fifteen million dollars of the remaining proceeds shall be transferred to the financial need scholarship fund created in section 23-3.1-206.2 to increase the availability of financial~~

~~need scholarships.~~

~~(IV) After the retention of the amounts required by subparagraphs (F) and (H) of this paragraph (c) and the transfers required by subparagraphs (HH) and (HH.5) of this paragraph (c), any remaining amount of the proceeds shall be transferred to the financial need scholarship fund created in section 23-3.1-206.2 and may reduce the need for general fund appropriations in the same amount to the department for need-based grants.~~

**SECTION 5. Appropriation.** In addition to any other appropriation, there is hereby appropriated, out of any moneys in the general fund not otherwise appropriated, to the department of higher education, for the fiscal year beginning July 1, 2014, the sum of \$1,000,000 for allocation to the Colorado opportunity scholarship initiative fund created in section 23-3.3-1005, Colorado Revised Statutes, related to the implementation of this act.

**SECTION 6. Act subject to petition - effective date.** This act takes effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly (August 6, 2014, if adjournment sine die is on May 7, 2014); except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within such period, then the act, item, section, or part will not take effect unless

approved by the people at the general election to be held in November 2014 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.

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Mark Ferrandino  
SPEAKER OF THE HOUSE  
OF REPRESENTATIVES

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Morgan Carroll  
PRESIDENT OF  
THE SENATE

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Marilyn Eddins  
CHIEF CLERK OF THE HOUSE  
OF REPRESENTATIVES

---

Cindi L. Markwell  
SECRETARY OF  
THE SENATE

APPROVED \_\_\_\_\_

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John W. Hickenlooper  
GOVERNOR OF THE STATE OF COLORADO