SENATE BILL 20-112

SENATE SPONSORSHIP

Priola,

HOUSE SPONSORSHIP

Buentello,

Senate Committees

Finance

House Committees

A BILL FOR AN ACT

CONCERNING THE CREATION OF A COLLEGE TRUST SCHOLARSHIP FOR STUDENTS WHO GRADUATE EARLY FROM COLORADO PUBLIC HIGH SCHOOLS.

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at http://leg.colorado.gov.)

The bill creates the college trust scholarship program (scholarship program) in the department of higher education (department) to disburse scholarship awards to institutions of higher education, as defined in the bill, on behalf of eligible graduates who are awarded a high school diploma from a Colorado public high school prior to enrolling in the...
fourth year of high school.

The savings to the state due to the student graduating high school early is used for the scholarship award and to add money to the state education fund to eliminate the budget stabilization factor applied to total program funding under the public school finance formula.

The scholarship award is equal to the greater of a portion of the average state share amount of the statewide average per pupil funding for public elementary and secondary schools or $3,000. The scholarship award is disbursed to the postsecondary program on behalf of the eligible graduate and may be used for the eligible graduate's cost of attendance for the postsecondary program, as determined by the department.

An eligible graduate must enroll in a postsecondary program by the eligible graduate's twenty-first birthday or the eligible graduate forfeits the award; except that the department has the ability to waive this requirement in exceptional or unforseen circumstances. An eligible graduate may continue to use any unused portion of the scholarship award until the eligible graduate's twenty-sixth birthday, at which time the unused portion of the scholarship award is forfeited. Forfeited scholarship awards are transferred to the state education fund to be used first to eliminate the budget stabilization factor in the public school finance formula.

The bill requires the department to report annually to certain committees of the general assembly certain information relating to the scholarship program.

The bill creates the college trust scholarship fund and specifies the characteristics of the fund. Interest and income from the fund and any money from forfeited scholarships is transferred to the state education fund.

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

SECTION 1. In Colorado Revised Statutes, add part 13 to article 3.3 of title 23 as follows:

PART 13

COLLEGE TRUST SCHOLARSHIP

FOR EARLY HIGH SCHOOL GRADUATION

23-3.3-1301. Legislative declaration. (1) The general assembly finds and declares that:

(a) Colorado's economic success is dependent, in part, on
INCREASING THE PERCENTAGE OF YOUTH WHO GRADUATE FROM HIGH SCHOOL AND GO ON TO COMPLETE POSTSECONDARY DEGREES OR CREDENTIALS THAT ARE NEEDED TO SUPPORT CORE INDUSTRIES IN THE STATE;

(b) HIGH SCHOOL STUDENTS ARE ABLE TO PARTICIPATE IN SEVERAL PATHWAYS TO ACHIEVING POSTSECONDARY DEGREES AND CREDENTIALS WHILE STILL IN HIGH SCHOOL, INCLUDING, FOR EXAMPLE, DUAL ENROLLMENT PROGRAMS, CONCURRENT ENROLLMENT PROGRAMS, AND EXTENDED HIGH SCHOOL PROGRAMS;

(c) THE STATE SUPPORTS PUBLIC HIGH SCHOOL EDUCATION AND STUDENTS' POSTSECONDARY PATHWAYS WHILE IN HIGH SCHOOL USING PUBLIC SCHOOL FINANCE DOLLARS AND OTHER HIGHER EDUCATION FUNDING;

(d) HOWEVER, SOME COLORADO HIGH SCHOOL STUDENTS ARE DRIVEN AND DEDICATED TO GRADUATING EARLY FROM HIGH SCHOOL AND MOVING ON TO DEGREE AND CREDENTIAL PROGRAMS AT INSTITUTIONS OF HIGHER EDUCATION IN COLORADO;

(e) WHILE PURSUING POSTSECONDARY EDUCATION, MANY STUDENTS STRUGGLE TO AFFORD HIGHER EDUCATION OR ARE BURDENED WITH SIGNIFICANT STUDENT LOAN DEBT;

(f) BY GRADUATING PRIOR TO ENROLLMENT IN A FOURTH YEAR OF HIGH SCHOOL, THESE STUDENTS ARE SAVING THE STATE A PORTION OF THE MONEY DISTRIBUTED TO COLORADO HIGH SCHOOLS THROUGH THE PUBLIC SCHOOL FINANCE FORMULA; AND

(g) A PORTION OF THIS SAVINGS SHOULD BE AVAILABLE AS A SCHOLARSHIP FOR STUDENTS WHO GRADUATE EARLY AND GO ON TO ENROLL IN A POSTSECONDARY PROGRAM, AND A PORTION OF THE SAVINGS
SHOULD BE REINVESTED IN COLORADO'S ELEMENTARY AND SECONDARY
PUBLIC SCHOOLS.

(2) THEREFORE, THE GENERAL ASSEMBLY DECLARES THAT
STUDENTS WHO GRADUATE EARLY SHOULD BE REWARDED FOR THEIR
EFFORTS AND SHOULD RECEIVE A PORTION OF THE SAVINGS GENERATED
THROUGH EARLY GRADUATION AS A SCHOLARSHIP TOWARD COMPLETION
OF A POSTSECONDARY PROGRAM. THIS POLICY BOTH INCENTIVIZES HARD
WORK AND HELPS CREATE AN EDUCATED WORKFORCE FOR COLORADO,
WHILE BENEFITING STUDENTS WHO MAY NEED ADDITIONAL FINANCIAL
ASSISTANCE WHILE PURSuing POSTSECONDARY EDUCATION AND
TRAINING.

23-3.3-1302. Definitions. As used in this Part 13, unless the
context otherwise requires:

(1) "College trust scholarship fund" or "fund" means the
college trust scholarship fund created in section 23-3.3-1306.

(2) "Department" means the Department of higher
education created pursuant to section 24-1-114.

(3) "Eligible graduate" means a student who has
graduated early from a Colorado public high school and has
met the requirements of this Part 13 to receive a scholarship
award.

(4) "Graduate early" means being awarded a high school
diploma by a Colorado public school, as defined in section
22-1-101, prior to enrolling in a fourth year of high school.

(5) "Institution of higher education" means a state
institution of higher education, as defined in section 23-18-102
(10), or any accredited campus of a state institution of higher
EDUCATION; A PRIVATE INSTITUTION OF HIGHER EDUCATION, AS DEFINED
IN SECTION 23-18-102 (9); A LOCAL DISTRICT COLLEGE, AS DEFINED IN
SECTION 23-71-102 (1)(a); AN AREA TECHNICAL COLLEGE, AS DEFINED IN
SECTION 23-60-103 (1); OR A PRIVATE OCCUPATIONAL SCHOOL, AS
DEFINED IN SECTION 23-64-103, THAT IS AUTHORIZED BY THE PRIVATE
OCCUPATIONAL SCHOOL DIVISION PURSUANT TO ARTICLE 64 OF THIS TITLE
23.

(6) "POSTSECONDARY PROGRAM" MEANS A DEGREE OR
CERTIFICATE PROGRAM, OTHER THAN A PROFESSIONAL DEGREE IN
THEOLOGY, AS DEFINED IN SECTION 23-18-102 (9.5), OFFERED BY AN
INSTITUTION OF HIGHER EDUCATION.

(7) "SCHOLARSHIP AWARD" MEANS THE AMOUNT OF MONEY THAT
AN ELIGIBLE STUDENT RECEIVES, CALCULATED AS THE GREATER OF:
(a) (I) TWO-THIRDS OF THE AVERAGE STATE SHARE OF THE STATE
AVERAGE PER PUPIL REVENUES FOR THE APPLICABLE BUDGET YEAR; OR
(II) THREE THOUSAND DOLLARS.
(b) FOR PURPOSES OF THE CALCULATION IN SUBSECTION (7)(a)(I)
OF THIS SECTION, "APPLICABLE BUDGET YEAR" IS THE STATE FISCAL YEAR
IN WHICH THE STUDENT GRADUATED EARLY.

(8) "SCHOLARSHIP PROGRAM" MEANS THE COLLEGE TRUST
SCHOLARSHIP PROGRAM FOR EARLY HIGH SCHOOL GRADUATION CREATED
IN SECTION 23-3.3-1303.

(9) "STATE SHARE SAVINGS FOR THE APPLICABLE BUDGET YEAR"
MEANS THE DIFFERENCE BETWEEN THE SCHOLARSHIP AWARD AND THE
AMOUNT OF THE AVERAGE STATE SHARE OF TOTAL PROGRAM FUNDING
REMAINING AFTER CALCULATING THE SCHOLARSHIP AWARD AMOUNT FOR
THE APPLICABLE BUDGET YEAR, IF ANY.
23-3.3-1303. College trust scholarship program for early high school graduation - creation - eligibility - amount of scholarship - transfer to state education fund - commission policies. (1) There is created in the department the college trust scholarship program for early high school graduation. The purpose of the scholarship program is to incentivize and reward Colorado high school students who are driven and dedicated to completing high school graduation requirements prior to the fourth year of high school and to moving on to a postsecondary program, thereby saving the state school finance dollars.

(2) The commission shall adopt any necessary policies and the department shall adopt any necessary guidelines to implement and administer the scholarship program.

(3) (a) No later than February 15, 2021, and no later than February 15 each year thereafter, the public high school of a student who is on track to graduate early shall notify the department of the student's expected early graduation. No later than March 1, 2021, and no later than March 1 each year thereafter, the department shall report to the joint budget committee the student's name, public high school, unique student identifier, and the student's expected graduation date. The public high school shall notify the department if a student otherwise identified pursuant to this subsection (3) will not graduate early.

(b) In the annual general appropriation act enacted for the budget year that commences in July following the student's early graduation date, the general assembly shall appropriate SB20-112-6-
TO THE COLLEGE TRUST SCHOLARSHIP FUND, ON BEHALF OF EACH ELIGIBLE GRADUATE, AN AMOUNT OF MONEY EQUAL TO THE SCHOLARSHIP AWARD FOR EACH ELIGIBLE GRADUATE.

(c) NOTWITHSTANDING ANY PROVISION OF THIS SUBSECTION (3) TO THE CONTRARY, AN ELIGIBLE GRADUATE IS NOT DISQUALIFIED FROM RECEIVING A SCHOLARSHIP AWARD DUE SOLELY TO THE PUBLIC HIGH SCHOOL'S FAILURE TO SEND THE REQUIRED NOTICE TO THE DEPARTMENT BY THE DEADLINE SET FORTH IN SUBSECTION (3)(a) OF THIS SECTION. THE DEPARTMENT SHALL REQUEST SUPPLEMENTAL MONEY, AS NECESSARY, TO DISBURSE SCHOLARSHIP AWARDS ON BEHALF OF ALL ELIGIBLE GRADUATES.

(4) THE DEPARTMENT SHALL ANNUALLY CALCULATE THE STATE SHARE SAVINGS FOR THE APPLICABLE BUDGET YEAR. THE STATE TREASURER SHALL ANNUALLY TRANSFER FROM THE GENERAL FUND SUCH AMOUNT TO THE STATE EDUCATION FUND CREATED PURSUANT TO SECTION 17 (4) OF ARTICLE IX OF THE STATE CONSTITUTION. AMOUNTS TRANSFERRED TO THE STATE EDUCATION FUND PURSUANT TO THIS SUBSECTION (4) MUST BE USED FIRST TO ELIMINATE THE BUDGET STABILIZATION FACTOR APPLIED TO TOTAL PROGRAM FUNDING FOR ELEMENTARY AND SECONDARY PUBLIC SCHOOLS PURSUANT TO THE PROVISIONS OF ARTICLE 54 OF TITLE 22.

23-3.3-1304. Receipt and use of scholarship funds. (1) (a) To RECEIVE THE SCHOLARSHIP AWARD, AN ELIGIBLE GRADUATE MUST COMMENCE A POSTSECONDARY PROGRAM IN COLORADO PRIOR TO THE ELIGIBLE GRADUATE REACHING TWENTY-ONE YEARS OF AGE OR THE ELIGIBLE GRADUATE FORFEITS THE SCHOLARSHIP AWARD; EXCEPT THAT, PRIOR TO THE ELIGIBLE GRADUATE REACHING TWENTY-ONE YEARS OF AGE, THE DEPARTMENT MAY APPROVE AN EXCEPTION TO THE TIME LIMITATION
SET FORTH IN THIS SUBSECTION (1)(a) ON A CASE-BY-CASE BASIS, IN
EXCEPTIONAL CIRCUMSTANCES SUCH AS UNFORSEEN ILLNESS OR INJURY,
AND IN CIRCUMSTANCES OUTSIDE OF THE ELIGIBLE GRADUATE'S CONTROL.

(b) THE ELIGIBLE GRADUATE MAY CONTINUE TO RECEIVE THE
SCHOLARSHIP AWARD FOR ELIGIBLE EXPENSES, AS DESCRIBED IN
SUBSECTION (2)(b) OF THIS SECTION, FOR A POSTSECONDARY PROGRAM
UNTIL THE SCHOLARSHIP AWARD IS EXHAUSTED OR THE ELIGIBLE
GRADUATE REACHES TWENTY-SIX YEARS OF AGE, AT WHICH TIME THE
ELIGIBLE GRADUATE FORFEITS ANY UNUSED PORTION OF THE SCHOLARSHIP
AWARD.

(2) (a) THE DEPARTMENT SHALL DISBURSE THE SCHOLARSHIP
AWARD ON BEHALF OF THE ELIGIBLE GRADUATE TO THE ELIGIBLE
GRADUATE'S POSTSECONDARY PROGRAM WITHIN TEN BUSINESS DAYS
AFTER A REQUEST IS MADE IN THE MANNER DETERMINED PURSUANT TO
COMMISSION RULES AND DEPARTMENT GUIDELINES.

(b) THE ELIGIBLE GRADUATE SHALL ONLY USE THE SCHOLARSHIP
AWARD FOR TUITION, FEES, AND OTHER EXPENSES ASSOCIATED WITH THE
ELIGIBLE GRADUATE'S COST OF ATTENDANCE FOR THE POSTSECONDARY
PROGRAM, AS DETERMINED BY THE DEPARTMENT PURSUANT TO FEDERAL
LAW. THAT PORTION OF A SCHOLARSHIP AWARD THAT IS GREATER THAN
THE ELIGIBLE GRADUATE'S COST OF ATTENDANCE REMAINS IN THE
COLLEGE TRUST SCHOLARSHIP FUND.

23-3.3-1305. Reporting requirements. (1) On or before
November 1, 2021, and on or before November 1 of each year
thereafter in which a scholarship award is disbursed on behalf
of an eligible graduate, the department shall submit a report to
the joint budget committee and to the education committees of
THE HOUSE OF REPRESENTATIVES AND OF THE SENATE, OR THEIR
SUCCESSOR COMMITTEES, WHICH REPORT MUST INCLUDE, AT A MINIMUM:
(a) THE NUMBER OF ELIGIBLE GRADUATES RECEIVING
SCHOLARSHIP AWARDS IN THE CURRENT BUDGET YEAR;
(b) THE AMOUNT OF THE SCHOLARSHIP AWARDED TO EACH
ELIGIBLE GRADUATE FOR THE APPLICABLE BUDGET YEAR;
(c) THE AMOUNT OF THE STATE SHARE SAVINGS FOR THE
APPLICABLE BUDGET YEAR THAT WAS TRANSFERRED TO THE STATE
EDUCATION FUND;
(d) THE POSTSECONDARY PROGRAM FOR WHICH THE ELIGIBLE
GRADUATE USED THE SCHOLARSHIP AWARD;
(e) THE AMOUNT OF SCHOLARSHIP AWARDS THAT HAVE BEEN
FORFEITED OR ARE PROJECTED TO BE FORFEITED FOR THE APPLICABLE
BUDGET YEAR; AND
(f) REQUESTED ADJUSTMENTS TO THE APPROPRIATION FOR THE
SCHOLARSHIP PROGRAM AND RECOMMENDATIONS FOR CHANGES TO THE
IMPLEMENTATION OF THE SCHOLARSHIP PROGRAM OR STATUTORY
LANGUAGE, IF ANY.
(2) NOTWITHSTANDING SECTION 24-1-136 (11)(a)(I) TO THE
CONTRARY, THE REPORTING REQUIREMENTS SET FORTH IN THIS SECTION
CONTINUE INDEFINITELY.

23-3.3-1306. College trust scholarship fund - creation -
reversion. (1) THERE IS CREATED IN THE STATE TREASURY, THE COLLEGE
TRUST SCHOLARSHIP FUND. THE FUND CONSISTS OF SCHOLARSHIP AWARD
MONEY APPROPRIATED OR TRANSFERRED TO THE FUND BY THE GENERAL
ASSEMBLY ON BEHALF OF ELIGIBLE GRADUATES.
(2) THE STATE TREASURER SHALL CREDIT ALL INTEREST AND
INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE
FUND TO THE STATE EDUCATION FUND, CREATED IN SECTION 17 (4) OF
ARTICLE IX OF THE STATE CONSTITUTION.

(3) THE STATE TREASURER SHALL TRANSFER THE AMOUNT OF ANY
FORFEITED SCHOLARSHIP AWARDS REMAINING IN THE FUND AT THE END OF
A FISCAL YEAR, AS DETERMINED BY THE DEPARTMENT, TO THE STATE
EDUCATION FUND, CREATED IN SECTION 17 (4) OF ARTICLE IX OF THE
STATE CONSTITUTION.

(4) MONEY IN THE FUND IS CONTINUOUSLY APPROPRIATED TO THE
DEPARTMENT FOR SCHOLARSHIP AWARDS ON BEHALF OF ELIGIBLE
STUDENTS.

SECTION 2. 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
5, 2020, if adjournment sine die is on May 6, 2020); 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 2020 and, in such case, will take effect on the date of the
official declaration of the vote thereon by the governor.