

Second Regular Session
Seventy-second General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 20-0536.01 Jacob Baus x2173

SENATE BILL 20-004

SENATE SPONSORSHIP

Fenberg,

HOUSE SPONSORSHIP

Herod and McCluskie,

Senate Committees
Finance

House Committees

A BILL FOR AN ACT

101 CONCERNING CREATING A STUDENT LOAN REPAYMENT ASSISTANCE
102 PROGRAM FOR POSTSECONDARY EDUCATION.

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 "Get on Your Feet Student Loan Repayment Assistance Program" to provide no more than 24 monthly payments on a qualified loan on behalf of a qualified recipient.

A qualified recipient is required to satisfy eligibility and program participation requirements.

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

The department of higher education is required to administer the program pursuant to guidelines promulgated by the commission on higher education.

A person who received a program award but did not satisfy all eligibility and program participation requirements may be required to fully or partially reimburse the state.

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

2 **SECTION 1. Legislative declaration.** (1) The general assembly
3 finds and declares that:

4 (a) Student loan debt has reached a crisis point. Student loan debt
5 continues to rise in response to increasing tuition and other college costs,
6 with no reduction in sight.

7 (b) A current estimate states that more than forty-four million
8 individuals in the United States owe some amount of student loan debt,
9 totaling over one and one-half trillion dollars, surpassing both credit card
10 and car loan debt;

11 (c) A current estimate states that fifty-two percent of Colorado's
12 students graduate with student loan debt averaging over twenty-four
13 thousand dollars, and approximately seven hundred sixty-one thousand
14 people in Colorado owe some amount of student debt totaling over
15 twenty-seven billion dollars;

16 (d) Students and families of color are disproportionately impacted
17 by the rising cost of postsecondary education and the growing student
18 debt crisis, which widens the intergenerational gap between families of
19 color and white families. A current estimate states that young
20 professionals of black and Latino descent with bachelor's degrees earn on
21 average six thousand dollars less per year compared to white
22 professionals with bachelor's degrees.

1 (e) Student loan debt hinders Colorado's economy, and it prevents
2 borrowers from starting businesses, working in critical low-paying
3 careers, investing in Colorado's economy, purchasing property, achieving
4 financial independence, and starting families;

5 (f) A study found that the total percentage of people under thirty
6 years of age who own their own business has fallen sixty-five percent
7 since 1980, with many of these people indicating that their student loan
8 debt is the primary factor holding them back in their careers;

9 (g) Coloradans with student loan debt are less likely to own a
10 home, are more likely to pay a high interest rate on their mortgage if they
11 do own a home, and are less likely to be saving for retirement;

12 (h) Postsecondary education is a public good that benefits all of
13 Colorado;

14 (i) Postsecondary education and careers that require postsecondary
15 education are necessary for the public good and should be accessible to
16 all people, not just those with adequate personal financial means;

17 (j) As a part of reaching the state's sixty-six percent credential
18 attainment goal stated in the master plan for Colorado postsecondary
19 education and closing the equity gap in postsecondary education, it is
20 necessary to invest in postsecondary education and the students who
21 repay that investment back to Colorado; and

22 (k) The "Get on Your Feet Student Loan Repayment Assistance
23 Program" serves a significant public purpose by assisting student loan
24 debt borrowers in a cost-efficient and effective manner, allowing them to
25 transition into the workforce and their careers while investing in their
26 personal future and in Colorado's economic future by retaining a talented
27 workforce who can invest in Colorado's economy.

1 **23-3.4-102. Get on your feet student loan repayment assistance**
2 **program - creation.** THERE IS CREATED IN THE DEPARTMENT THE "GET
3 ON YOUR FEET STUDENT LOAN REPAYMENT ASSISTANCE PROGRAM" TO
4 PROVIDE NO MORE THAN TWENTY-FOUR MONTHLY PAYMENTS ON A
5 QUALIFIED LOAN ON BEHALF OF A QUALIFIED RECIPIENT.

6 **23-3.4-103. Program administration.** (1) IN ADDITION TO OTHER
7 REQUIREMENTS PURSUANT TO THIS ARTICLE 3.4, THE DEPARTMENT SHALL:

8 (a) ACCEPT AND REVIEW APPLICATIONS AND SUPPORTING
9 DOCUMENTS DEMONSTRATING ELIGIBILITY FROM PROGRAM APPLICANTS;

10 (b) NOTIFY QUALIFIED RECIPIENTS OF THEIR ELIGIBILITY AND
11 INELIGIBLE APPLICANTS OF THE REASON FOR THEIR INELIGIBILITY;

12 (c) MAKE MONTHLY PAYMENTS DIRECTLY TO THE FEDERAL LOAN
13 ADMINISTRATOR ON A QUALIFIED LOAN ON BEHALF OF A QUALIFIED
14 RECIPIENT; AND

15 (d) ANNUALLY VERIFY A QUALIFIED RECIPIENT'S ELIGIBILITY TO
16 PARTICIPATE IN THE PROGRAM.

17 (2) THE COMMISSION SHALL CREATE GUIDELINES CONCERNING THE
18 DEPARTMENT'S ADMINISTRATION OF THE PROGRAM.

19 **23-3.4-104. Program eligibility.** (1) IN ADDITION TO OTHER
20 ELIGIBILITY AND PROGRAM PARTICIPATION REQUIREMENTS PURSUANT TO
21 THIS ARTICLE 3.4, TO QUALIFY FOR THE PROGRAM A PERSON MUST:

22 (a) EARN AN ASSOCIATE'S OR BACHELOR'S DEGREE FROM AN
23 INSTITUTION OF HIGHER EDUCATION ON OR AFTER JANUARY 25, 2021;

24 (b) SUBMIT A PROGRAM APPLICATION AND ANY REQUIRED
25 SUPPORTING DOCUMENTS DEMONSTRATING ELIGIBILITY TO THE
26 DEPARTMENT NO LATER THAN TWO YEARS FOLLOWING THE DATE THE
27 PERSON EARNED AN ASSOCIATE'S OR BACHELOR'S DEGREE FROM AN

1 INSTITUTION OF HIGHER EDUCATION;

2 (c) HAVE A QUALIFIED LOAN AND BE ENROLLED IN A FEDERAL
3 INCOME-DRIVEN REPAYMENT PLAN;

4 (d) BE A RESIDENT OF COLORADO AND HAVE RESIDED IN
5 COLORADO FOR NOT LESS THAN THE PREVIOUS TWELVE CONTINUOUS
6 MONTHS, UNLESS THE PERSON IS A MILITARY MEMBER ON ACTIVE DUTY
7 AND THE MILITARY MEMBER'S LEGAL RESIDENCE IS COLORADO;

8 (e) HAVE A PRIMARY WORK LOCATION IN COLORADO, UNLESS THE
9 PERSON IS A MILITARY MEMBER ON ACTIVE DUTY AND THE MILITARY
10 MEMBER'S LEGAL RESIDENCE IS COLORADO;

11 (f) NOT BE DELINQUENT OR IN DEFAULT ON A FEDERAL OR STATE
12 STUDENT LOAN PURSUANT TO THE LOAN'S TERMS; AND

13 (g) BE IN COMPLIANCE WITH ANY CONDITIONS IMPOSED BY A STATE
14 ACADEMIC SCHOLARSHIP, GRANT, OR FINANCIAL AID AWARD.

15 (2) TO QUALIFY FOR THE PROGRAM, A PERSON SHALL COMPLETE
16 AND SUBMIT ANY APPLICATION, INFORMATION, OR SUPPORTING
17 DOCUMENTS DEMONSTRATING ELIGIBILITY TO THE DEPARTMENT IN THE
18 TIME OR MANNER REQUIRED BY THE DEPARTMENT.

19 (3) THE DEPARTMENT SHALL TERMINATE OR SUSPEND A PERSON'S
20 PROGRAM AWARD IF THE PERSON:

21 (a) FAILS TO SATISFY ALL ELIGIBILITY AND PROGRAM
22 PARTICIPATION REQUIREMENTS WHILE RECEIVING A PROGRAM AWARD; OR

23 (b) FAILS TO COMPLETE AND SUBMIT ANY APPLICATION,
24 INFORMATION, OR SUPPORTING DOCUMENTS DEMONSTRATING ELIGIBILITY
25 TO THE DEPARTMENT IN THE TIME OR MANNER REQUIRED BY THE
26 DEPARTMENT.

27 (4) A PERSON RECEIVING A PROGRAM AWARD SHALL REPORT TO

1 THE DEPARTMENT A CHANGE OF ELIGIBILITY OR A CHANGE IN THE
2 QUALIFIED LOAN'S MONTHLY FEDERAL INCOME-DRIVEN REPAYMENT
3 AMOUNT.

4 (5) A PERSON IS NOT ELIGIBLE TO RECEIVE A PROGRAM AWARD IF
5 THE MONTHLY FEDERAL INCOME-DRIVEN REPAYMENT AMOUNT IS ZERO
6 DOLLARS OR IF THE PERSON IS NOT OTHERWISE REQUIRED TO MAKE A
7 PAYMENT BECAUSE THE QUALIFIED LOAN IS IN FORBEARANCE OR
8 DEFERMENT STATUS PURSUANT TO THE TERMS OF THE LOAN.

9 (6) A PERSON WHOSE PROGRAM AWARD WAS TERMINATED OR
10 SUSPENDED PURSUANT TO SUBSECTION (3) OF THIS SECTION MAY REAPPLY
11 FOR A PROGRAM AWARD. TO QUALIFY FOR THE PROGRAM UPON
12 REAPPLICATION, A PERSON MUST SATISFY ELIGIBILITY AND PROGRAM
13 PARTICIPATION REQUIREMENTS PURSUANT TO THIS ARTICLE 3.4,
14 INCLUDING MAKING THE REAPPLICATION WITHIN TWO YEARS AFTER
15 EARNING THE DEGREE, AND, IF NECESSARY, REIMBURSE THE STATE
16 PURSUANT TO SECTION 23-3.4-106.

17 **23-3.4-105. Award amount and duration.** (1) A QUALIFIED
18 RECIPIENT IS ELIGIBLE FOR A PROGRAM AWARD EQUAL TO ONE HUNDRED
19 PERCENT OF THE QUALIFIED LOAN'S MONTHLY FEDERAL INCOME-DRIVEN
20 REPAYMENT AMOUNT.

21 (2) THE DEPARTMENT SHALL MAKE NO MORE THAN TWENTY-FOUR
22 MONTHLY PAYMENTS DIRECTLY TO THE FEDERAL LOAN ADMINISTRATOR
23 ON A QUALIFIED LOAN ON BEHALF OF A QUALIFIED RECIPIENT.

24 (3) (a) THE DEPARTMENT SHALL MAKE ELIGIBLE PAYMENTS IN
25 CONSECUTIVE MONTHS, STARTING ON THE DATE THE DEPARTMENT MAKES
26 THE FIRST PAYMENT TO THE FEDERAL LOAN ADMINISTRATOR ON A
27 QUALIFIED LOAN ON BEHALF OF A QUALIFIED RECIPIENT.

1 (b) NOTWITHSTANDING SUBSECTION (3)(a) OF THIS SECTION, FOR
2 A PERSON WHOSE PROGRAM AWARD WAS TERMINATED OR SUSPENDED AND
3 WHO QUALIFIES FOR THE PROGRAM UPON REAPPLICATION PURSUANT TO
4 SECTION 23-3.4-104 (6), THE DEPARTMENT SHALL CONSIDER THE
5 PAYMENTS ALREADY MADE DIRECTLY TO THE FEDERAL LOAN
6 ADMINISTRATOR ON A QUALIFIED LOAN ON BEHALF OF THE QUALIFIED
7 RECIPIENT AND MAKE NO MORE THAN THE REMAINING NUMBER OF
8 PAYMENTS OF THE TOTAL TWENTY-FOUR MONTHLY PAYMENTS.

9 **23-3.4-106. Reimbursement.** (1) THE DEPARTMENT MAY, AT ITS
10 DISCRETION, REQUIRE A PERSON TO FULLY OR PARTIALLY REIMBURSE A
11 PAYMENT TO THE STATE IF THE STATE PAID A PROGRAM AWARD TO THE
12 FEDERAL LOAN ADMINISTRATOR ON A QUALIFIED LOAN ON BEHALF OF THE
13 PERSON FOR ANY MONTH WHILE THE PERSON DID NOT SATISFY ALL
14 ELIGIBILITY AND PROGRAM PARTICIPATION REQUIREMENTS. THE
15 COMMISSION SHALL CREATE GUIDELINES CONCERNING THE PARAMETERS
16 THE DEPARTMENT SHALL CONSIDER WHEN DETERMINING WHETHER TO
17 REQUIRE A PERSON TO FULLY OR PARTIALLY REIMBURSE A PAYMENT TO
18 THE STATE PURSUANT TO THIS SUBSECTION (1).

19 (2) IF THE DEPARTMENT DETERMINES THAT A PERSON MUST
20 REIMBURSE THE STATE PURSUANT TO SUBSECTION (1) OF THIS SECTION,
21 THE DEPARTMENT SHALL NOTIFY THE CONTROLLER, WHO SHALL INSTITUTE
22 COLLECTION PROCEEDINGS PURSUANT TO SECTION 24-30-202.4, TO
23 RECOVER COSTS OR FEES.

24 (3) FOR A PERSON WHOSE PROGRAM AWARD WAS TERMINATED OR
25 SUSPENDED AND WHO QUALIFIES FOR THE PROGRAM UPON REAPPLICATION
26 PURSUANT TO SECTION 23-3.4-104 (6), THE DEPARTMENT SHALL NOT
27 MAKE ANY SUBSEQUENT PAYMENTS TO THE FEDERAL LOAN

1 ADMINISTRATOR UNTIL THE PERSON HAS REIMBURSED THE STATE FOR ANY
2 PAYMENT AS REQUIRED PURSUANT TO THIS SECTION, IF REQUIRED.

3 (4) NOTWITHSTANDING SUBSECTIONS (1) TO (3) OF THIS SECTION,
4 IF A RECIPIENT HAS DEMONSTRATED EXTREME HARDSHIP AS A RESULT OF
5 A DISABILITY OR OTHER SIMILAR CIRCUMSTANCES, PRIOR TO NOTIFYING
6 THE CONTROLLER PURSUANT TO SUBSECTION (2) OF THIS SECTION, THE
7 DEPARTMENT MAY, IN ITS DISCRETION, WAIVE OR DEFER REIMBURSEMENT,
8 EXTEND THE REIMBURSEMENT PERIOD, OR TAKE OTHER ACTION IT DEEMS
9 APPROPRIATE. THE COMMISSION SHALL CREATE GUIDELINES CONCERNING
10 THE PARAMETERS THE DEPARTMENT SHALL CONSIDER WHEN DETERMINING
11 WHETHER TO WAIVE OR DEFER REIMBURSEMENT, EXTEND THE
12 REIMBURSEMENT PERIOD, OR TAKE OTHER ACTION IT DEEMS APPROPRIATE
13 PURSUANT TO THIS SUBSECTION (4).

14 **SECTION 3. Act subject to petition - effective date.** This act
15 takes effect at 12:01 a.m. on the day following the expiration of the
16 ninety-day period after final adjournment of the general assembly (August
17 5, 2020, if adjournment sine die is on May 6, 2020); except that, if a
18 referendum petition is filed pursuant to section 1 (3) of article V of the
19 state constitution against this act or an item, section, or part of this act
20 within such period, then the act, item, section, or part will not take effect
21 unless approved by the people at the general election to be held in
22 November 2020 and, in such case, will take effect on the date of the
23 official declaration of the vote thereon by the governor.