

CHAPTER 200

GOVERNMENT - STATE

SENATE BILL 23-205

BY SENATOR(S) Bridges and Lundeen, Buckner, Cutter, Exum, Fields, Hansen, Moreno, Mullica, Priola, Roberts, Winter F., Fenberg;
also REPRESENTATIVE(S) Martinez and Wilson, Amabile, Bird, Boesenecker, Duran, Froelich, Hamrick, Herod, Jodeh, Joseph, Kipp, Lieder, Lindstedt, Lukens, Mabrey, Marshall, Michaelson Jenet, Ricks, Sharbini, Snyder, Taggart, Titone, Valdez, Velasco, Weissman, Willford, Woodrow, Young, McCluskie.

AN ACT

CONCERNING A SCHOLARSHIP PROGRAM FOR COLORADO HIGH SCHOOL GRADUATES THAT PRIORITIZES AWARDS FOR STUDENTS PURSUING HIGH-PRIORITY POSTSECONDARY PATHWAYS, AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.

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

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

(a) Colorado has one of the most talented workforces in the country, but there are not enough workers with the skills and training needed for jobs vacant now or in the future. There are currently two available jobs for every unemployed person in the state.

(b) Many available jobs in Colorado require a postsecondary education and training, but there are significant declines in high school graduates taking advantage of postsecondary education and training programs, with a ten percent decline from the 2019-20 academic year to the 2020-21 academic year;

(c) To begin to address the decline in participation in postsecondary education, Colorado must invest in homegrown talent, ensure the skills that Coloradans are being trained in match those that our industry partners require, and establish a deeper connection between talent development and industry needs. Colorado must prioritize the modernization of education to be more responsive to our business needs, as Colorado's industry partners are at the center of co-creating talent with

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.

education through apprenticeship and on-the-job training to accelerate skill development and secure in-demand skills.

(d) In recent years, Colorado has seen innovative partnerships between our educational institutions and employers that have led to quality career pathways for Colorado workers, and through Opportunity Now Colorado, the state is supporting these pathways at a regional level to meet the unique economic needs of every Colorado community;

(e) The universal high school scholarship program will build on prior initiatives to support recent graduates and equivalent completers to gain the skills needed to succeed in Colorado's high-demand career pathways. It will strengthen Colorado's workforce by helping students to identify and execute the postsecondary path that is right for them.

(f) The universal high school scholarship program will support all Coloradans to build and follow through on a postsecondary plan by reducing financial barriers to a wide selection of postsecondary opportunities, connecting graduating seniors to college and career-planning support, and elevating pathways to Colorado's most in-demand careers, both statewide and regionally.

SECTION 2. In Colorado Revised Statutes, **add** part 5 to article 48.5 of title 24 as follows:

PART 5
UNIVERSAL HIGH SCHOOL SCHOLARSHIP PROGRAM

24-48.5-501. Definitions. AS USED IN THIS PART 5, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(1) "ELIGIBLE STUDENT" MEANS A STUDENT WHO IS ELIGIBLE FOR A SCHOLARSHIP AS DESCRIBED IN SECTION 24-48.5-502 (4).

(2) "IN-DEMAND OR HIGH-PRIORITY POSTSECONDARY PATHWAYS" MEANS THE POSTSECONDARY PATHWAYS IDENTIFIED BY THE OFFICE PURSUANT TO SECTION 24-48.5-502 (2)(b).

(3) "OFFICE" MEANS THE COLORADO OFFICE OF ECONOMIC DEVELOPMENT CREATED IN SECTION 24-48.5-101.

(4) "PROGRAM" MEANS THE UNIVERSAL HIGH SCHOOL SCHOLARSHIP PROGRAM CREATED IN SECTION 24-48.5-502.

(5) "REGIONAL ENTITY" MEANS AN ENTITY THAT RECEIVES A GRANT PURSUANT TO THE REGIONAL TALENT DEVELOPMENT INITIATIVE GRANT PROGRAM DESCRIBED IN PART 4 OF THIS ARTICLE 48.5.

(6) "REGISTERED APPRENTICESHIP" MEANS AN APPRENTICESHIP REGISTERED WITH THE UNITED STATES DEPARTMENT OF LABOR OR THE STATE APPRENTICESHIP AGENCY ESTABLISHED IN SECTION 8-15.7-102.

(7) "SERVICE PROVIDER" MEANS A PROVIDER INCLUDED IN THE ELIGIBLE TRAINING PROVIDER LISTS DISSEMINATED BY THE DEPARTMENT OF LABOR AND EMPLOYMENT PURSUANT TO SECTION 8-83-225 (1)(c), A PROVIDER INCLUDED IN THE COLORADO STATE APPRENTICESHIP RESOURCE DIRECTORY CREATED PURSUANT TO SECTION 8-83-308, A PUBLIC OR PRIVATE INSTITUTION OF HIGHER EDUCATION OPERATING IN COLORADO, OR AN ENTITY APPROVED AS A SERVICE PROVIDER PURSUANT TO SECTION 24-48.5-502 (2)(c).

24-48.5-502. Universal high school scholarship program - established - administration - cash fund - eligibility. (1) (a) THERE IS ESTABLISHED IN THE OFFICE THE UNIVERSAL HIGH SCHOOL SCHOLARSHIP PROGRAM TO PROVIDE SCHOLARSHIPS THAT OFFSET A STUDENT'S COSTS ASSOCIATED WITH POSTSECONDARY EDUCATION, A REGISTERED APPRENTICESHIP, OR TRAINING OR EDUCATION RELATED TO AN IN-DEMAND OR HIGH-PRIORITY POSTSECONDARY PATHWAY, AT A SERVICE PROVIDER.

(b) THE OFFICE SHALL ADMINISTER THE PROGRAM OR MAY CONTRACT WITH ONE OR MORE VENDORS TO ADMINISTER THE PROGRAM. THE OFFICE OR VENDOR SHALL:

(I) MANAGE A STATEWIDE SCHOLARSHIP APPLICATION PROCESS AND ALL RELATED FUNCTIONS, INCLUDING SCREENING FOR STUDENT ELIGIBILITY;

(II) AWARD SCHOLARSHIPS FOR THE 2024-25 ACADEMIC YEAR TO ELIGIBLE STUDENTS AS DESCRIBED IN SECTION 24-48.5-503 AND DISTRIBUTE THE SCHOLARSHIP MONEY TO THE SERVICE PROVIDER THAT HAS ENROLLED THE STUDENT FOR POSTSECONDARY EDUCATION OR ACCEPTED THE STUDENT FOR TRAINING;

(III) MANAGE A STATEWIDE COMMUNICATIONS CAMPAIGN IN PARTNERSHIP WITH REGIONAL ENTITIES TO ADVERTISE THE PROGRAM, RECRUIT APPLICANTS, AND PROVIDE TECHNICAL SUPPORT TO STUDENTS APPLYING FOR A SCHOLARSHIP OR NAVIGATING POSTSECONDARY OPTIONS;

(IV) VERIFY STUDENT ENROLLMENT BY COLLECTING A REPORT FROM EACH SERVICE PROVIDER ON THE STATUS OF EVERY SCHOLARSHIP RECIPIENT IN THE PROVIDER'S PROGRAM OF STUDY, WHICH MUST INCLUDE WHETHER EACH STUDENT COMPLETED THE PROGRAM OF STUDY, TRANSFERRED TO ANOTHER SERVICE PROVIDER, DROPPED OUT OF OR REMAINS ENROLLED IN THE PROGRAM OF STUDY, OR HAS ANOTHER STATUS IDENTIFIED BY THE OFFICE, AND ANY OTHER INFORMATION REQUESTED BY THE OFFICE, WHICH MUST, WHERE AVAILABLE, INCLUDE DEMOGRAPHIC INFORMATION ABOUT SCHOLARSHIP RECIPIENTS; AND

(V) AUDIT, OR CONTRACT WITH A VENDOR TO AUDIT, SERVICE PROVIDERS TO ENSURE THAT SERVICE PROVIDERS COMPLY WITH ALL PROGRAM RULES AND REQUIREMENTS.

(2) (a) THE OFFICE SHALL DEVELOP POLICIES AND PROCEDURES NECESSARY TO ADMINISTER THE PROGRAM. THE POLICIES AND PROCEDURES MUST INCLUDE:

(I) AN APPLICATION PROCESS AND DEADLINES, CRITERIA FOR IDENTIFYING SCHOLARSHIP RECIPIENTS IN ACCORDANCE WITH THE AWARD PRIORITIES DESCRIBED

IN SECTION 24-48.5-503 (1)(a), AND A SCHEDULE FOR AWARDING SCHOLARSHIPS AND DISTRIBUTING SCHOLARSHIP MONEY;

(II) GUIDELINES FOR DETERMINING THE AMOUNT OF EACH SCHOLARSHIP AWARD;

(III) A LIST OF ENTITIES IDENTIFIED BY THE REGIONAL TALENT DEVELOPMENT INITIATIVE GRANT PROGRAM DESCRIBED IN PART 4 OF THIS ARTICLE 48.5 THAT THE OFFICE DETERMINES ARE SERVICE PROVIDERS PURSUANT TO SUBSECTION (2)(c) OF THIS SECTION; AND

(IV) A LIST OF IN-DEMAND OR HIGH-PRIORITY POSTSECONDARY PATHWAYS.

(b) THE OFFICE SHALL IDENTIFY POSTSECONDARY PATHWAYS THAT ARE IN-DEMAND OR HIGH-PRIORITY, BOTH STATEWIDE AND IN SPECIFIC REGIONS OF THE STATE. IN DETERMINING IN-DEMAND OR HIGH-PRIORITY POSTSECONDARY PATHWAYS, THE OFFICE SHALL CONSIDER THE TOP JOBS LISTED IN THE MOST RECENT COLORADO TALENT REPORT PREPARED PURSUANT TO SECTION 24-46.3-103 AND THE MOST RECENT VERSION OF THE STATEWIDE AND REGIONAL TOP JOBS LIST PUBLISHED BY THE COLORADO DEPARTMENT OF HIGHER EDUCATION.

(c) THE OFFICE SHALL ESTABLISH A PROCESS TO REVIEW AND APPROVE AS SERVICE PROVIDERS ORGANIZATIONS THAT ARE NOT A PUBLIC OR PRIVATE INSTITUTION OF HIGHER EDUCATION OPERATING IN COLORADO AND ARE NOT INCLUDED IN THE ELIGIBLE TRAINING PROVIDER LISTS OR THE COLORADO STATE APPRENTICESHIP RESOURCE DIRECTORY. IN ORDER TO BE APPROVED AS A SERVICE PROVIDER, AN ORGANIZATION MUST BE IDENTIFIED BY A REGIONAL ENTITY AND OFFER PROGRAMS FOR IN-DEMAND OR HIGH-PRIORITY POSTSECONDARY PATHWAYS.

(3)(a) THE UNIVERSAL HIGH SCHOOL SCHOLARSHIP CASH FUND, REFERRED TO IN THIS SUBSECTION (3) AS THE "CASH FUND", IS CREATED IN THE STATE TREASURY. THE CASH FUND CONSISTS OF MONEY TRANSFERRED TO THE CASH FUND PURSUANT TO SUBSECTION (3)(b) OF THIS SECTION AND ANY OTHER MONEY THAT THE GENERAL ASSEMBLY MAY APPROPRIATE OR TRANSFER TO THE CASH FUND. IN ACCORDANCE WITH SECTION 24-36-114 (1), THE STATE TREASURER SHALL CREDIT ALL INTEREST AND INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE CASH FUND TO THE GENERAL FUND. SUBJECT TO ANNUAL APPROPRIATION BY THE GENERAL ASSEMBLY, THE OFFICE MAY EXPEND MONEY FROM THE CASH FUND FOR PURPOSES OF THIS PART 5.

(b) ON SEPTEMBER 1, 2023, THE STATE TREASURER SHALL TRANSFER TWENTY-FIVE MILLION DOLLARS FROM THE GENERAL FUND TO THE CASH FUND.

(c) THE STATE TREASURER SHALL TRANSFER ALL UNEXPENDED AND UNENCUMBERED MONEY IN THE CASH FUND ON DECEMBER 30, 2026, TO THE GENERAL FUND.

(d) FOR STATE FISCAL YEAR 2023-24, THE GENERAL ASSEMBLY SHALL APPROPRIATE TWENTY-FIVE MILLION DOLLARS FROM THE CASH FUND FOR THE PROGRAM. ANY UNEXPENDED OR UNENCUMBERED MONEY APPROPRIATED PURSUANT TO THIS SUBSECTION (3)(d) REMAINS AVAILABLE FOR EXPENDITURE FOR THE SAME PURPOSE IN THE 2024-25 STATE FISCAL YEAR WITHOUT FURTHER

APPROPRIATION. EXCEPT AS OTHERWISE PERMITTED IN THIS SUBSECTION (3), THE OFFICE SHALL USE THE MONEY FOR SCHOLARSHIP AWARDS.

(e) THE OFFICE SHALL USE TWO MILLION FIVE HUNDRED THOUSAND DOLLARS OF THE MONEY APPROPRIATED FOR THE PROGRAM FOR POSTSECONDARY AND CAREER ADVISING AS DESCRIBED IN SECTION 24-48.5-504.

(f) THE OFFICE MAY, ON OR BEFORE DECEMBER 31, 2023, ALLOCATE MONEY FROM THE PROGRAM APPROPRIATION FOR THE DIRECT AND INDIRECT COSTS ASSOCIATED WITH THE ADMINISTRATION OF THE PROGRAM; EXCEPT THAT EXPENDITURES FOR ADMINISTRATIVE COSTS SHALL NOT EXCEED SIX PERCENT OF THE TOTAL APPROPRIATION. THE OFFICE SHALL USE THE MONEY DESCRIBED IN THIS SUBSECTION (3)(f) THAT WAS NOT ALLOCATED FOR ADMINISTRATIVE COSTS ON OR BEFORE DECEMBER 31, 2023, FOR SCHOLARSHIP AWARDS.

(4) A STUDENT IS ELIGIBLE FOR A SCHOLARSHIP IF THE STUDENT:

(a) DURING THE 2023-24 ACADEMIC YEAR, GRADUATED FROM A COLORADO HIGH SCHOOL OR WAS AWARDED A HIGH SCHOOL EQUIVALENCY CREDENTIAL AWARDED BY THE COLORADO DEPARTMENT OF EDUCATION;

(b) COMPLETES THE FREE APPLICATION FOR FEDERAL STUDENT AID OR THE COLORADO APPLICATION FOR STATE FINANCIAL AID;

(c) DID NOT RECEIVE A GRANT OR SCHOLARSHIP PURSUANT TO PART 10 OF ARTICLE 3.3 OF TITLE 23 FOR THE 2024-25 ACADEMIC YEAR; AND

(d) SUBMITS AN APPLICATION FOR A SCHOLARSHIP PURSUANT TO THE PROGRAM.

(5) (a) SCHOLARSHIP MONEY MAY ONLY BE USED AT A SERVICE PROVIDER.

(b) A SERVICE PROVIDER SHALL COMPLY WITH THE PROGRAM POLICIES AND PROCEDURES AND WITH ALL REPORTING REQUIREMENTS DESCRIBED IN THIS SECTION. A SERVICE PROVIDER SHALL SUBMIT TO AN AUDIT BY THE OFFICE OR VENDOR CONDUCTED PURSUANT TO SUBSECTION (1)(b) OF THIS SECTION.

(c) THE OFFICE, OR A VENDOR CONTRACTED TO ADMINISTER THE PROGRAM, MAY REMOVE SERVICE PROVIDERS FROM THE SCHOLARSHIP IF THE SERVICE PROVIDER IS DETERMINED TO BE OUT OF COMPLIANCE WITH PROGRAM RULES AND REQUIREMENTS.

24-48.5-503. Program scholarship award - selection criteria - amount - use of award. (1)(a) THE OFFICE OR VENDOR SHALL ACCEPT AND REVIEW SCHOLARSHIP APPLICATIONS AND AWARD SCHOLARSHIPS IN ACCORDANCE WITH THE OFFICE'S PROGRAM POLICIES AND PROCEDURES. THE OFFICE OR VENDOR SHALL AWARD SCHOLARSHIPS TO:

(I) ELIGIBLE STUDENTS WHO INTEND TO ENROLL OR TRAIN AT A SERVICE PROVIDER TO PURSUE AN IN-DEMAND OR HIGH-PRIORITY POSTSECONDARY PATHWAY, INCLUDING STUDENTS WHO INTEND TO ENROLL FULL-TIME AND THOSE WHO INTEND TO ENROLL PART-TIME; AND

(II) AFTER AWARDING SCHOLARSHIPS TO ALL ELIGIBLE STUDENTS DESCRIBED IN SUBSECTION (1)(a)(I) OF THIS SECTION, TO ELIGIBLE STUDENTS WHO INTEND TO ENROLL OR TRAIN AT A SERVICE PROVIDER IN A PROGRAM OF STUDY THAT IS NOT ALIGNED TO AN IN-DEMAND OR HIGH-PRIORITY POSTSECONDARY PATHWAY.

(b) THE OFFICE OR VENDOR SHALL NOT REQUIRE A STUDENT TO DEMONSTRATE FINANCIAL NEED TO RECEIVE A SCHOLARSHIP AND SHALL NOT CONSIDER AN ELIGIBLE STUDENT'S FINANCIAL NEED IN DETERMINING SCHOLARSHIP AWARDS.

(2)(a) THE OFFICE OR VENDOR AWARDING SCHOLARSHIPS SHALL DETERMINE THE AMOUNT OF EACH SCHOLARSHIP AWARD CONSISTENT WITH PROGRAM POLICIES AND PROCEDURES, UP TO A MAXIMUM OF ONE THOUSAND FIVE HUNDRED DOLLARS; EXCEPT THAT THE AMOUNT OF MONEY DISTRIBUTED TO THE SERVICE PROVIDER PURSUANT TO SUBSECTION (3)(b) OF THIS SECTION MUST NOT BE GREATER THAN THE STUDENT'S TOTAL COST OF TUITION, FEES, BOOKS, AND EQUIPMENT.

(b) SCHOLARSHIP MONEY IS DISTRIBUTED TO THE SERVICE PROVIDER FOR USE BY THE STUDENT.

(3)(a) A STUDENT MAY USE A SCHOLARSHIP AWARD FOR TUITION, FEES, BOOKS, AND EQUIPMENT AT A SERVICE PROVIDER.

(b) SCHOLARSHIP MONEY MUST BE EXPENDED NO LATER THAN JULY 31, 2025. ON AUGUST 1, 2025, A SERVICE PROVIDER SHALL RETURN ALL UNUSED SCHOLARSHIP MONEY TO THE OFFICE.

24-48.5-504. Postsecondary and career advising. (1) THE OFFICE SHALL CONTRACT WITH ONE OR MORE VENDORS TO PROVIDE POSTSECONDARY AND CAREER ADVISING TO COLORADO HIGH SCHOOL STUDENTS WHO MAY BE LESS LIKELY TO PURSUE A POSTSECONDARY EDUCATION.

(2) THE OFFICE SHALL IDENTIFY SCHOOLS TO RECEIVE POSTSECONDARY ADVISING SUPPORT. THE OFFICE MAY USE MULTIPLE CRITERIA TO IDENTIFY SCHOOLS, INCLUDING DECLINES IN POSTSECONDARY PARTICIPATION BY HIGH SCHOOL GRADUATES, STUDENT POPULATION SIZE, ECONOMIC NEED, GEOGRAPHIC LOCATION, OR ANY OTHER CRITERIA AS DETERMINED BY THE OFFICE. THE OFFICE SHALL MAKE EFFORTS TO IDENTIFY A DIVERSITY OF SCHOOLS IN RURAL AND URBAN AREAS OF THE STATE TO RECEIVE POSTSECONDARY ADVISING SUPPORT. THE OFFICE SHALL CONTACT SCHOOLS ELIGIBLE FOR ADVISING PURSUANT TO THE PROGRAM AND WITH THE SCHOOL'S, AND IN IF APPLICABLE, THE SCHOOL DISTRICT'S, PERMISSION, DESIGNATE VENDORS TO PROVIDE ADVISING IN THE SCHOOL.

(3) A VENDOR SHALL PROVIDE ONE-ON-ONE ADVISING TO STUDENTS, INCLUDING THOSE WHO INTEND TO PURSUE A TWO-YEAR OR FOUR-YEAR DEGREE, WORKFORCE OR TECHNICAL TRAINING, OR A MILITARY PATHWAY. THE ADVISING MUST INCLUDE INFORMING STUDENTS ABOUT IN-DEMAND OR HIGH-PRIORITY PATHWAYS, INCLUDING IN-DEMAND OCCUPATIONS BY REGION.

24-48.5-505. Service provider report - program report. (1) ON OR BEFORE JULY 31, 2025, EACH SERVICE PROVIDER THAT RECEIVED PROGRAM SCHOLARSHIP MONEY ON BEHALF OF A STUDENT SHALL REPORT TO THE OFFICE, FOR EACH

STUDENT, THE STUDENT'S STATUS IN THE STUDENT'S PROGRAM OF STUDY AT THE SERVICE PROVIDER AND ANY OTHER INFORMATION REQUESTED BY THE OFFICE.

(2) (a) IN ITS ANNUAL REPORT BEFORE THE HOUSE AND SENATE COMMITTEES OF REFERENCE PURSUANT TO SECTION 2-7-203, THE OFFICE SHALL INCLUDE INFORMATION ABOUT THE PROGRAM, INCLUDING, IF AVAILABLE:

(I) THE NUMBER OF STUDENTS WHO HAVE RECEIVED A SCHOLARSHIP;

(II) A LIST OF SERVICE PROVIDERS;

(III) THE TOTAL AMOUNT OF MONEY RECEIVED BY EACH SERVICE PROVIDER AND THE NUMBER OF STUDENTS ENROLLED WITH OR RECEIVING TRAINING FROM EACH PROVIDER;

(IV) THE POSTSECONDARY PATHWAY BEING PURSUED BY EACH SCHOLARSHIP RECIPIENT, AGGREGATED BY PATHWAY;

(V) EMPLOYMENT OUTCOMES OF SCHOLARSHIP RECIPIENTS;

(VI) A DETAILED STATEMENT OF THE COSTS INCURRED BY THE OFFICE AND ANY VENDOR THAT CONTRACTED WITH THE OFFICE TO ADMINISTER THE PROGRAM; AND

(VII) ANY OTHER INFORMATION REGARDING THE SCHOLARSHIP PROGRAM THE OFFICE DETERMINES IS APPROPRIATE TO INCLUDE IN THE REPORT.

(b) NOTWITHSTANDING SECTION 24-1-136 (11)(a)(I), THE REPORTING REQUIREMENT DESCRIBED IN THIS SUBSECTION (2) CONTINUES UNTIL DECEMBER 31, 2026.

24-48.5-506. Repeal of part. THIS PART 5 IS REPEALED, EFFECTIVE DECEMBER 31, 2026.

SECTION 3. Appropriation. For the 2023-24 state fiscal year, \$25,000,000 is appropriated to the office of the governor for use by economic development programs. This appropriation is from the universal high school scholarship cash fund created in section 24-48.5-502 (3), C.R.S., and is based on an assumption that the office will require an additional 1.1 FTE. To implement this act, the office may use this appropriation for the universal high school scholarship program.

SECTION 4. 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; 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 2024 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.

Approved: May 16, 2023