

State Income Tax Increase
for Scholarship Program



Be it Enacted by the People of the State of Colorado;

SECTION 1. In Colorado Revised Statutes, **add** article 77 to title 23 as follows:

ARTICLE 77

FREE COLLEGE FOR COLORADO

23-77-101. SHORT TITLE AND SINGLE SUBJECT PURPOSE

- (1) THIS ARTICLE SHALL BE KNOWN AND MAY BE CITED AS THE "FREE COLLEGE FOR COLORADO INITIATIVE"
- (2) THE SINGLE SUBJECT PURPOSE OF THIS ARTICLE IS TO CREATE A SCHOLARSHIP PROGRAM FOR QUALIFIED COLORADO CITIZENS THAT PAYS FOR TUITION AND CERTAIN COSTS ASSOCIATED WITH ATTENDING A COLORADO PUBLIC COLLEGE TO EARN A DEGREE UP TO A BACHELOR'S DEGREE.

23-77-102. LEGISLATIVE DECLARATION.

- (1) THE PEOPLE OF THE STATE OF COLORADO HEREBY:
 - (A) FIND THAT:
 - (I) BECAUSE COLLEGE EDUCATION IS IMPORTANT TO THE PROSPERITY AND ECONOMIC GROWTH OF FAMILIES AND COMMUNITIES; AND
 - (II) THE BUREAU OF LABOR STATISTICS REPORTED THAT ON THE LAST BUSINESS DAY OF FEBRUARY 2017 THERE WERE 5.7 MILLION JOB OPENINGS IN THE U.S.; AND
 - (III) IN 2014 THE STATE HIGHER EDUCATION EXECUTIVE OFFICERS ASSOCIATION REPORTED COLORADO STATE'S FUNDING FOR HIGHER EDUCATION WAS 48TH IN THE NATION.
 - (B) DECLARE THAT THIS LACK OF INVESTMENT IN HIGHER EDUCATION HARMS THE PUBLIC INTEREST BY:
 - (I) LIMITING ACCESS TO COLLEGE FOR INDIVIDUALS FROM LOW INCOME HOUSEHOLDS;
 - (II) MAKING IT MORE DIFFICULT FOR EMPLOYERS IN THE STATE TO FIND LOCAL TALENT;
 - (III) MAKING IT LESS TEMPTING FOR OUT-OF-STATE EMPLOYERS TO MOVE HERE; AND
 - (IV) MAKING EDUCATED INDIVIDUALS MORE LIKELY TO RELOCATE AFTER GRADUATION.
 - (C) DECLARE THAT THE ENACTMENT OF THIS ARTICLE, BY AUTHORIZING THE CREATION OF THE FREE COLLEGE FOR COLORADO SCHOLARSHIP, IS NECESSARY FOR THE PROMOTION AND PRESERVATION OF THE PUBLIC WELFARE.

23-77-103. DEFINITIONS.

- (1) "SCHOLARSHIP" MEANS THE FREE COLLEGE FOR COLORADO SCHOLARSHIP THAT WILL BE CREATED BY THE ENACTMENT OF THIS ARTICLE
- (2) "PUBLIC COLLEGE" MEANS ANY PUBLIC INSTITUTION OF HIGHER EDUCATION IN THE STATE OF COLORADO SUPPORTED IN WHOLE OR IN PART BY PUBLIC FUND MONEYS WHICH IS RECOGNIZED AND APPROVED BY THE REGIONAL ACCREDITING AGENCY FOR THE STATE WHERE SUCH EDUCATIONAL INSTITUTION IS SITUATED OR WHICH IS APPROVED BY THE UNITED STATES COMMISSIONER OF EDUCATION AND WHICH PROVIDES A COURSE OF STUDY LEADING TO THE GRANTING OF A POSTSECONDARY DEGREE.
- (3) "QUALIFIED FOR IN-STATE TUITION" MEANS AN APPLICANT FOR AN INSTITUTION OF HIGHER EDUCATION IN THE STATE OF COLORADO WHO MEETS THE CRITERIA ESTABLISHED BY ARTICLE 7 OF THIS TITLE FOR IN-STATE TUITION.
- (4) "DEGREE PATH" MEANS A DECLARED ASSOCIATE'S OR BACHELOR'S DEGREE IN WHICH THE STUDENT WILL TAKE COURSES TO ACCOMPLISH AND GRADUATE WITH DECLARED DEGREE
- (5) "STUDENT'S EXISTING FINANCIAL AID" MEANS ALL GRANTS AND SCHOLARSHIPS THE STUDENT IS AWARDED
- (6) "LAST DOLLAR SCHOLARSHIP" MEANS SCHOLARSHIP WILL ONLY COVER THE DIFFERENCE BETWEEN STUDENT'S EXISTING FINANCIAL AID AND THE REMAINING COSTS ASSOCIATED WITH GOING TO SCHOOL
- (7) "FINAL SEMESTER" MEANS ANY SEMESTER FUNDED BY SCHOLARSHIP MONEY PRECEDING 12 MONTHS WITHOUT RECEIVING SCHOLARSHIP MONEY

23-77-104. ELIGIBILITY

- (1) MUST BE QUALIFIED FOR IN-STATE TUITION
- (2) MUST FILL OUT FAFSA APPLICATION AND ACCEPT ALL AVAILABLE FEDERAL GRANTS
- (3) MUST NOT CURRENTLY HAVE A BACHELOR'S DEGREE OR HIGHER.
- (4) MUST SELECT A DEGREE PATH
 - (A) A STUDENT CAN CHANGE DEGREE PATHS AS LONG AS THE SEMESTER CREDIT HOURS REQUIRED TO GRADUATE DO NOT EXCEED THE REMAINING AMOUNT OF SEMESTER CREDIT HOURS COVERED BY THIS SCHOLARSHIP AS SHOWN IN SECTION 23-77-105(3)
- (5) MUST MAINTAIN A 2.0 GPA MINIMUM

23-77-105. SCHOLARSHIP COVERAGE

- (1) THE SCHOLARSHIP COVERS THE COST OF TUITION AND ALL BOOKS, EQUIPMENT, AND FEES REQUIRED FOR THEIR COURSES FOR FULL-TIME AND PART-TIME STUDENTS AT A PUBLIC COLLEGE

- (2) THE SCHOLARSHIP COVERS THE COST OF ON-CAMPUS ROOM AND BOARD FOR FULL-TIME STUDENTS AT A PUBLIC COLLEGE FROM FAMILIES MAKING LESS THAN \$130,000 A YEAR
- (3) THE SCHOLARSHIP COVERS A MAXIMUM OF 150 SEMESTER CREDIT HOURS PER STUDENT
- (4) THE SCHOLARSHIP IS A LAST DOLLAR SCHOLARSHIP

23-77-106. AFTER FINAL SEMESTER

- (1) AFTER FINAL SEMESTER THE STUDENT MUST REMAIN QUALIFIED FOR IN-STATE TUITION THE SAME NUMBER OF TOTAL YEARS THEY RECEIVED FUNDING;
 - (A) IF THE STUDENT DOES NOT REMAIN QUALIFIED FOR IN-STATE TUITION THE SAME NUMBER OF TOTAL YEARS THEY RECEIVED FUNDING THE SCHOLARSHIP IS CONVERTED INTO A STUDENT LOAN;
 - (I) LOANS ARE OWED TO THE COLORADO DEPARTMENT OF HIGHER EDUCATION;
 - (II) LOANS ARE NON-INTEREST BEARING; AND
 - (III) LOANS ARE CALCULATED USING THE FOLLOWING EQUATION: "TOTAL MONEY RECEIVED FROM SCHOLARSHIP" MULTIPLIED BY THE "PERCENTAGE OF TIME NOT QUALIFIED"

23-77-107. APPROPRIATIONS & REVENUE

- (1) IN 2014 THE COLORADO DEPARTMENT OF HIGHER EDUCATION REPORTED \$1.8 BILLION USD IN FEDERAL STUDENT LOANS, INSTITUTIONAL SCHOLARSHIPS, AND OTHER FINANCIAL AID SANS FEDERAL PELL GRANTS AND EXISTING STATE CONTRIBUTIONS
- (2) IN 2016 THE U.S. BUREAU OF ECONOMIC ANALYSIS REPORTED TOTAL PERSONAL INCOME IN COLORADO WAS \$294 BILLION USD
- (3) THIS SCHOLARSHIP AND THE RELATED COSTS INCURRED BY STATE AND LOCAL GOVERNMENTS WOULD BE PAID FOR WITH AN INCOME TAX INCREASE OF NINE-TENTHS OF A PER CENT
- (4) THIS SCHOLARSHIP SHALL BE IMPLEMENTED BY THE COLORADO DEPARTMENT OF HIGHER EDUCATION

23-77-108. EFFECTIVE DATE

- (1) EFFECTIVE DATE OF THIS ARTICLE IS JULY 1, 2019

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