

SENATE COMMITTEE OF REFERENCE REPORT

Chair of Committee

May 6, 2024
Date

Committee on Finance.

After consideration on the merits, the Committee recommends the following:

HB24-1340 be amended as follows, and as so amended, be referred to the Committee on Appropriations with favorable recommendation:

1 Amend reengrossed bill, page 3, strike lines 2 through 13 and substitute:

2 "(II) COLORADO'S POSTSECONDARY MATRICULATION RATE WAS
3 LESS THAN FIFTY PERCENT IN 2021 WITH A LARGE SHARE GOING OUT OF
4 STATE. POSTSECONDARY EDUCATION HELPS STUDENTS ACHIEVE
5 ECONOMIC MOBILITY, AND STUDENTS ARE MORE LIKELY TO STAY IN
6 COLORADO IF THEY ATTEND INSTITUTIONS IN COLORADO. BY
7 INCENTIVIZING STUDENTS TO ATTEND INSTITUTIONS IN COLORADO,
8 STUDENTS WILL SEE MORE ECONOMIC MOBILITY WHILE BENEFITING THE
9 STATE WORKFORCE."

10 Page 3, after line 13 insert:

11 "(III) IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT IN THE
12 EVENT OF A RECESSION, EXISTING SUPPORT OF NEED-BASED FINANCIAL AID
13 BE A POTENTIAL BACKSTOP FOR THIS INCENTIVE;"

14 Renumber succeeding subparagraphs accordingly.

15 Page 3, strike line 17 and substitute "SUCCESSFUL. TARGETED INCENTIVES
16 FOR ATTENDING PUBLIC INSTITUTIONS OF HIGHER EDUCATION, WHICH
17 HAVE LOWER TUITION, HELP MORE STUDENTS COMPLETE HIGHER
18 EDUCATION WITH LESS OR NO DEBT AND HELP COLORADO RETAIN OUR
19 OWN TALENT.

20 (IV) BUILDING BRIDGES TO HIGHER EDUCATION SUPPORTS OUR
21 STATE'S STUDENTS AND ECONOMIC HEALTH."

22 Renumber succeeding subparagraph accordingly.

1 Page 4, line 2, strike "ENROLLMENT IN" and substitute "STUDENTS TO
2 ATTEND".

3 Page 4, line 3, strike "DEBT." and substitute "DEBT BY PROVIDING A
4 YEARLY REFUNDABLE INCENTIVE TO STUDENTS IN THEIR FIRST TWO YEARS
5 OF HIGHER EDUCATION AGAINST THE TUITION AND FEES PAID TO A
6 COLORADO PUBLIC INSTITUTION OF HIGHER EDUCATION."

7 Page 4, after line 3 insert:

8 "(c) THE TAX INCENTIVE PROVIDES A YEARLY REFUNDABLE CREDIT
9 TO STUDENTS AGAINST THE TUITION AND FEE COSTS PAID TO A PUBLIC
10 TWO-YEAR OR FOUR-YEAR INSTITUTION, AREA TECHNICAL COLLEGE, OR
11 LOCAL DISTRICT COLLEGE IN THEIR FIRST TWO YEARS OF HIGHER
12 EDUCATION. ELIGIBLE STUDENTS ARE THOSE WHO ARE CLASSIFIED AS IN-
13 STATE STUDENTS, ENROLL IN AT LEAST SIX CREDIT HOURS IN A SEMESTER
14 OR TERM, HAVE AT LEAST A 2.5 GRADE POINT AVERAGE IN A SEMESTER OR
15 TERM, MATRICULATED IN COLLEGE WITHIN TWO YEARS OF HIGH SCHOOL
16 GRADUATION, AND HAVE A FEDERAL ADJUSTED GROSS HOUSEHOLD
17 INCOME OF NINETY THOUSAND DOLLARS OR LESS AS INDICATED ON THE
18 FREE APPLICATION FOR FEDERAL STUDENT AID OR COLORADO
19 APPLICATION FOR STATE FINANCIAL AID.

20 (d) THE 2022 AMERICAN COMMUNITY SURVEY CONDUCTED BY THE
21 UNITED STATES CENSUS BUREAU FOUND THAT THE MEDIAN HOUSEHOLD
22 INCOME IN COLORADO IS EIGHTY NINE THOUSAND THREE HUNDRED TWO
23 DOLLARS. A NINETY THOUSAND DOLLAR INCOME THRESHOLD ENSURES
24 THAT ALL COLORADO HOUSEHOLDS AT OR BELOW MEDIAN INCOME WILL
25 BE ABLE TO BENEFIT FROM THIS INCENTIVE."

26 Renumber succeeding subparagraph accordingly.

27 Page 4, after line 9 insert:

28 "(a) "ACADEMIC YEAR" MEANS THE PERIOD BEGINNING WITH A
29 COLORADO PUBLIC INSTITUTION OF HIGHER EDUCATION'S FALL SEMESTER
30 OR TERM AND ENDING THE FOLLOWING CALENDAR YEAR AT THE
31 CONCLUSION OF THE COLORADO PUBLIC INSTITUTION OF HIGHER
32 EDUCATION'S SUMMER SEMESTER OR TERM."

33 Renumber succeeding paragraphs accordingly.

34 Page 5, line 3, strike "EQUIVALENT IN COLORADO;" and substitute
35 "EQUIVALENT."

1 Page 5, line 5, after "STUDENT" insert "AT A COLORADO PUBLIC
2 INSTITUTION OF HIGHER EDUCATION".

3 Page 5, line 9, after "CLAIMED;" insert "AND".

4 Page 5, line 14, strike "LESS;" and substitute "LESS."

5 Page 5, strike lines 15 through 18.

6 Page 5, line 19, strike "CREDIT." and substitute "CREDIT ALLOWED BY THIS
7 SECTION."

8 Page 5, after line 19 insert:

9 "(d) QUALIFYING SEMESTER OR TERM" MEANS A SEMESTER OR
10 TERM THAT THE ELIGIBLE STUDENT:

11 (I) BEGINS WITH FEWER THAN SIXTY-SIX CREDIT HOURS
12 ACCUMULATED, INCLUDING ALL CREDITS TRANSFERRED TO THE
13 COLORADO PUBLIC INSTITUTION OF HIGHER EDUCATION, EXCEPT THOSE
14 CREDITS EARNED THROUGH PRIOR LEARNING ASSESSMENT, CONCURRENT
15 ENROLLMENT, ADVANCE PLACEMENT, THE INTERNATIONAL
16 BACCALAUREATE PROGRAM, MILITARY CREDITS, OR ANY OTHER CREDITS
17 ACCUMULATED PRIOR TO MATRICULATION AT ANY INSTITUTION OF HIGHER
18 EDUCATION; AND

19 (II) COMPLETES EARNING AT LEAST SIX CREDIT HOURS OR
20 EQUIVALENT WITH A GRADE POINT AVERAGE OF 2.5 OR HIGHER."

21 Reletter succeeding paragraph accordingly.

22 Page 5, line 23, strike "CODE."" and substitute "CODE."

23 Page 6, line 1, after "(3)" insert "(a)".

24 Page 6, lines 2 and 3, strike "AND SUBJECT TO THE REQUIREMENTS OF
25 SUBSECTION (4) OF THIS SECTION,".

26 Page 6, strike lines 5 through 19 and substitute "BY THIS ARTICLE 22 FOR
27 EVERY QUALIFYING SEMESTER OR TERM COMPLETED DURING THE
28 ACADEMIC YEAR ENDING DURING THE INCOME TAX YEAR.

29 (b) THE AMOUNT OF INCENTIVE ALLOWED TO AN ELIGIBLE
30 STUDENT FOR EACH INCOME TAX YEAR IS EQUAL TO THE AMOUNT PAID BY
31 OR FOR THE BENEFIT OF THE ELIGIBLE STUDENT IN TUITION AND FEES TO A
32 COLORADO PUBLIC INSTITUTION OF HIGHER EDUCATION MINUS ANY

1 SCHOLARSHIPS OR GRANTS FOR EACH QUALIFYING SEMESTER OR TERM
2 DURING THE ACADEMIC YEAR COMPLETED DURING THE PRIOR CALENDAR
3 YEAR."

4 Renumber succeeding subsections accordingly.

5 Page 6, line 20, strike "A" and substitute "EACH".

6 Page 6, line 21, strike the first "31," and substitute "15," and strike the
7 second "31," and substitute "15,".

8 Page 6, line 22, strike "2037," and substitute "2034,".

9 Page 6, line 23, after "ANY" insert "QUALIFYING"; after "THE" insert
10 "ACADEMIC YEAR COMPLETED DURING THE"; and after "YEAR" insert "TO
11 THE DEPARTMENT OF HIGHER EDUCATION".

12 Page 6 lines 24 and 25, strike "EXECUTIVE DIRECTOR OF THE DEPARTMENT
13 OF REVENUE" and substitute "DEPARTMENT OF HIGHER EDUCATION".

14 Page 7, strike lines 2 and 3, and substitute "SCHOLARSHIPS OR GRANTS.".

15 Page 7, line 4, strike "THE" and substitute "BY JANUARY 31, 2026, AND
16 EVERY JANUARY 31 THEREAFTER THROUGH 2034, THE".

17 Page 7, line 7, strike "REVENUE" and substitute "HIGHER EDUCATION".

18 Page 7, after line 8 insert:

19 "(c) THE DEPARTMENT OF HIGHER EDUCATION IS REQUIRED BY
20 JANUARY 31, 2026, AND EVERY JANUARY 31 THEREAFTER THROUGH 2034,
21 TO ELECTRONICALLY REPORT THE INFORMATION RECEIVED PURSUANT TO
22 SUBSECTION (4)(a) OF THIS SECTION ALONG WITH ANY LATER
23 CORRECTIONS OR ADDITIONS TO THE DEPARTMENT OF REVENUE IN A
24 FORMAT PRESCRIBED BY THE EXECUTIVE DIRECTOR."

25 Page 7, after line 17 insert:

26 "(b) EACH COLORADO PUBLIC INSTITUTION OF HIGHER EDUCATION
27 SHALL MAINTAIN A PERCENTAGE OF STATE AND INSTITUTIONAL FINANCIAL
28 AID TO RESIDENT STUDENTS WHO HAVE AN ADJUSTED GROSS HOUSEHOLD
29 INCOME OF NINETY THOUSAND DOLLARS OR LESS THAT IS EQUAL TO OR
30 GREATER THAN THE AVERAGE PERCENTAGE OF STUDENT AND

1 INSTITUTIONAL FINANCIAL AID CALCULATED BY THE DEPARTMENT OF
2 HIGHER EDUCATION IN EACH OF THE THREE ACADEMIC YEARS PRIOR TO
3 THE ACADEMIC YEAR 2024-25.

4 (c) IF AN INSTITUTION DOES NOT MAINTAIN THE PERCENTAGE, THE
5 INSTITUTION SHALL NOTIFY THE DEPARTMENT OF HIGHER EDUCATION BY
6 A DATE DETERMINED BY THE DEPARTMENT OF HIGHER EDUCATION AND
7 MUST INCLUDE IN THE NOTIFICATION A DESCRIPTION OF CHANGES TO
8 INSTITUTIONAL FINANCES OR THE STUDENT POPULATION THAT PREVENTED
9 THE INSTITUTION FROM MAINTAINING THE STATE AND INSTITUTIONAL
10 FINANCIAL AID ALLOCATION PERCENTAGE. THE DEPARTMENT OF HIGHER
11 EDUCATION SHALL INCLUDE THIS INFORMATION IN ITS REPORT DESCRIBED
12 IN SUBSECTION (7)(d) OF THIS SECTION."

13 Renumber succeeding paragraph accordingly.

14 Page 7, line 25, after "THREE" insert "ACADEMIC".

15 Page 7, strike line 26 and substitute "PRIOR TO THE ACADEMIC YEAR
16 2024-25, AND IN EACH ACADEMIC YEAR THEREAFTER UNTIL 2034. THE
17 DEPARTMENT OF".

18 Page 8, line 12, strike "(7)" and substitute "(8)".

** *** ** *** **