

Second Regular Session
Seventy-fourth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 24-0532.01 Megan McCall x4215

SENATE BILL 24-226

SENATE SPONSORSHIP

Fenberg,

HOUSE SPONSORSHIP

(None),

Senate Committees
Finance

House Committees

A BILL FOR AN ACT

101 CONCERNING MODIFICATIONS TO THE COLLEGE KICKSTARTER
102 ACCOUNT PROGRAM.

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 modifies the college kickstarter account program (program). Under current law, an account may be opened by a parent or parents of an eligible child. The bill expands who may open an account and be an account sponsor, requiring that an account sponsor must provide the birth certificate number or order of adoption for an eligible child in accordance with the requirements of the program to open an

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

account. The bill also expands the membership of the advisory board, requires the advisory board to meet at least on a quarterly basis each year, and makes changes to certain reporting requirements for the program.

Currently, a parent or parents of an eligible child must claim kickstarter funding within 5 years of the date of the eligible child's birth or adoption. The bill expands this period to 8 years for an account sponsor to claim kickstarter funding, and clarifies that an account is an "individual college savings account", which is any collegeinvest account.

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

2 **SECTION 1.** In Colorado Revised Statutes, 23-3.1-306.5, **amend**
3 (1)(a)(V), (1)(b) introductory portion, (2)(a), (2)(d) introductory portion,
4 (3), (4)(a), (4)(b), (4)(c) introductory portion, (4)(c)(I), (4)(c)(II), (5), (6)
5 introductory portion, (6)(a), (6)(b)(II), (6)(b)(IV), (6)(b)(V), (7), and
6 (8)(c); **repeal** (6)(b)(III) and (6)(b)(VI); and **add** (2)(a.5), (2)(b.5),
7 (6)(b)(VII), and (6)(c) as follows:

8 **23-3.1-306.5. College kickstarter account program - funding**
9 **- administration - financial literacy course - rules - legislative**
10 **declaration - definitions.** (1) (a) The general assembly hereby finds and
11 declares that:

12 (V) Providing seed money for each child born in OR ADOPTED
13 INTO Colorado as an incentive to enroll in a college savings account helps
14 make saving for college part of the collective culture of Colorado by
15 opening the door for economic opportunity for all children and their
16 families, better positions the state as a pioneer in building family financial
17 capability, and promotes the development of a stronger, more qualified
18 Colorado workforce.

19 (b) The general assembly further finds and declares that
20 establishing the college kickstarter account program, which provides both
21 an initial contribution of money for every child born in OR ADOPTED INTO

1 Colorado that may be claimed and transferred to a college savings
2 account and subsequently supplemented by ~~parental and family~~ OTHER
3 contributions and a potential opportunity for financial literacy education
4 free of charge:

5 (2) As used in this section, unless the context otherwise requires:

6 (a) ~~"Eligible child" means a child born or adopted in Colorado on~~
7 ~~or after January 1, 2020, but before January 1, 2040.~~ "ACCOUNT
8 SPONSOR" MEANS A PARENT OR PARENTS OR ANY OTHER INDIVIDUAL WHO
9 PROVIDES THE BIRTH CERTIFICATE NUMBER OR ORDER OF ADOPTION FOR
10 AN ELIGIBLE CHILD IN ACCORDANCE WITH THE REQUIREMENTS OF THIS
11 SECTION.

12 (a.5) "ELIGIBLE CHILD" MEANS A CHILD BORN OR ADOPTED IN
13 COLORADO ON OR AFTER JANUARY 1, 2020, BUT BEFORE JANUARY 1,
14 2040.

15 (b.5) "INDIVIDUAL COLLEGE SAVINGS ACCOUNT" MEANS ANY
16 COLLEGEINVEST ACCOUNT.

17 (d) "Kickstarter funding" means an amount in the master account
18 designated for each eligible child by the authority, which ~~the parent or~~
19 ~~parents of~~ AN ACCOUNT SPONSOR FOR the eligible child can claim on
20 behalf of the eligible child, LIMITED TO ONE CLAIM PER BIRTH CERTIFICATE
21 NUMBER OR ORDER OF ADOPTION PER CHILD, AS APPLICABLE, by opening
22 an INDIVIDUAL COLLEGE SAVINGS account for the eligible child, as
23 follows:

24 (3) (a) Except as otherwise provided in subsection (5) of this
25 section, the authority shall oversee and administer the college kickstarter
26 account program, which is created within the authority. The department
27 shall create an advisory board, FACILITATED BY THE AUTHORITY, ~~which~~

1 ~~shall include, at a minimum, the state treasurer or the state treasurer's~~
2 ~~designee and both an employee of the department who is not an employee~~
3 ~~of the authority and an employee of the authority~~ IN ACCORDANCE WITH
4 SUBSECTION (3)(b) OF THIS SECTION, WHICH IS A SUBCOMMITTEE OF THE
5 BOARD OF DIRECTORS OF THE AUTHORITY, to advise the authority
6 regarding the oversight and administration of the kickstarter program. The
7 advisory board is subject to the open meetings provisions of the Colorado
8 sunshine law contained in part 4 of article 6 of title 24 and the "Colorado
9 Open Records Act", article 72 of title 24.

10 (b) (I) MEMBERS OF THE ADVISORY BOARD MUST INCLUDE:

11 (A) THE STATE TREASURER OR THE STATE TREASURER'S DESIGNEE;

12 (B) THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF HIGHER
13 EDUCATION OR THE EXECUTIVE DIRECTOR'S DESIGNEE;

14 (C) THE CHAIR OR THE VICE-CHAIR OF THE BOARD OF DIRECTORS
15 OF THE AUTHORITY;

16 (D) THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF EARLY
17 CHILDHOOD OR THE EXECUTIVE DIRECTOR'S DESIGNEE;

18 (E) THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF EDUCATION
19 OR THE EXECUTIVE DIRECTOR'S DESIGNEE;

20 (F) A REPRESENTATIVE FROM THE OFFICE OF CHILDREN, YOUTH,
21 AND FAMILIES IN THE DIVISION OF CHILD WELFARE IN THE DEPARTMENT OF
22 HUMAN SERVICES;

23 (G) A MARKETING EXPERT FROM OUTSIDE THE AUTHORITY;

24 (H) A CUSTOMER EXPERIENCE DESIGN EXPERT FROM OUTSIDE THE
25 AUTHORITY; AND

26 (I) AN EMPLOYEE OF THE AUTHORITY WITH CONTENT KNOWLEDGE
27 OF THE KICKSTARTER PROGRAM.

1 (II) ANY MEMBER OF THE BOARD OF DIRECTORS OF THE
2 AUTHORITY MAY SERVE ON THE ADVISORY BOARD.

3 (c) THE ADVISORY BOARD MUST MEET AT LEAST QUARTERLY EACH
4 YEAR.

5 (4) (a) The authority shall create a kickstarter program master
6 account. By increasing available revenue, without reducing existing levels
7 of scholarship or matching grant funding, the authority shall annually
8 deposit to the master account for state fiscal year 2019-20 and for each
9 succeeding state fiscal year thereafter through state fiscal year 2044-45
10 the amount needed to ensure that there is sufficient money in the master
11 account to make all transfers of kickstarter funding from the master
12 account to INDIVIDUAL COLLEGE SAVINGS accounts that name an eligible
13 child as the beneficiary required by subsection (4)(b) of this section
14 during the state fiscal year for which the transfer is made.
15 Notwithstanding any other law, the amounts to be transferred shall be
16 taken from money of the authority that is available for use by the
17 authority for the Colorado collegeinvest scholarship program created in
18 section 23-3.1-206.9 (1) or for the authority's matching grant program.

19 (b) The authority shall designate kickstarter funding in the master
20 account for each eligible child upon receiving notice of the birth or
21 adoption of the eligible child from the office of the state registrar of vital
22 statistics in the department of public health and environment, created in
23 section 25-2-103 (1), as required by section 25-2-112 (8). The authority
24 shall initially invest the kickstarter funding in its stable value plus plan or
25 any successor plan that has a similar investment strategy. AN ACCOUNT
26 SPONSOR SHALL IDENTIFY AN INDIVIDUAL COLLEGE SAVINGS ACCOUNT
27 THAT NAMES THE ELIGIBLE CHILD AS THE BENEFICIARY WHEN CLAIMING

1 KICKSTARTER FUNDING FOR THE ELIGIBLE CHILD. THE ACCOUNT SPONSOR
2 MAY OPEN AN INDIVIDUAL COLLEGE SAVINGS ACCOUNT WITHOUT MAKING
3 ANY ADDITIONAL CONTRIBUTION BEYOND KICKSTARTER FUNDING. ~~If the~~
4 ~~parent or parents of an eligible child open an account, which they may do~~
5 ~~without making any additional contribution, that names the child as the~~
6 ~~beneficiary~~ AN ACCOUNT SPONSOR MAY CLAIM KICKSTARTER FUNDING
7 FOR AN ELIGIBLE CHILD within ~~five~~ EIGHT years of the date of the eligible
8 child's birth or adoption, AT WHICH TIME the authority shall transfer the
9 kickstarter funding designated for the eligible child and any associated
10 interest from the master account to the eligible child's INDIVIDUAL
11 COLLEGE SAVINGS account. ~~If the parent or parents of~~ AN ACCOUNT
12 SPONSOR FOR an eligible child ~~do~~ DOES not open an INDIVIDUAL COLLEGE
13 SAVINGS account that names the eligible child as a beneficiary AND
14 CLAIMS KICKSTARTER FUNDING within ~~five~~ EIGHT years of the eligible
15 child's birth or adoption, any money in the master account that was
16 designated for the eligible child remains in the master account and may
17 be designated for another eligible child. Kickstarter funding and any
18 associated interest, whether it is designated for an eligible child in the
19 master account or in an INDIVIDUAL COLLEGE SAVINGS account that names
20 an eligible child as the beneficiary, is excluded from the income of the
21 eligible child and ~~the parent or parents of~~ AN ACCOUNT SPONSOR FOR the
22 eligible child for purposes of determining eligibility or benefits amounts
23 for any state-funded program.

24 (c) The authority, in consultation with the advisory board created
25 in subsection (3) of this section, shall develop and, no later than
26 ~~November 1, 2019~~, NOVEMBER 1, 2024, obtain the approval of the
27 department to implement, directly or through a contractor, a

1 comprehensive and robust marketing and outreach plan to make the
2 parent or parents of each eligible child aware of the kickstarter program
3 and encourage them to claim the kickstarter funding designated for their
4 eligible child by enrolling in an INDIVIDUAL COLLEGE SAVINGS account.
5 The marketing and outreach plan shall include multiple strategies,
6 including grants to appropriate community-based nonprofit organizations,
7 to specifically target low- and middle-income families who may be less
8 likely than wealthier families to already be aware of the authority and the
9 availability of accounts. Upon making initial contact with ~~the parent or~~
10 ~~parents of~~ AN ACCOUNT SPONSOR FOR an eligible child, the authority or its
11 contractor shall:

12 (I) Educate the ~~parent or parents~~ ACCOUNT SPONSOR as to how to
13 claim the designated kickstarter funding for ~~their~~ AN eligible child by
14 enrolling in an INDIVIDUAL COLLEGE SAVINGS account, make future
15 contributions to the account, choose from available fund options for the
16 investment of the INDIVIDUAL COLLEGE SAVINGS account, and contact the
17 authority regarding questions concerning the INDIVIDUAL COLLEGE
18 SAVINGS account;

19 (II) Advise the ~~parent or parents~~ ACCOUNT SPONSOR of the
20 opportunity to take any financial literacy education program provided by
21 the state treasurer as authorized in subsection (5) of this section; and

22 (5) If, in the sole discretion of the state treasurer, adequate gifts,
23 grants, and donations are received, the kickstarter program may include
24 a free program for financial literacy education for eligible children and
25 ~~their parent or parents~~ AN ACCOUNT SPONSOR and other family members
26 OF THE ELIGIBLE CHILD. The state treasurer shall develop and administer
27 any program for financial literacy education included in the kickstarter

1 program.

2 (6) The authority shall conduct an ongoing summative evaluation
3 to collect summative data to evaluate the kickstarter program's
4 effectiveness over time. The authority shall prepare, present DURING THE
5 DEPARTMENT'S "SMART ACT" HEARING IN ACCORDANCE WITH SECTION
6 2-7-203 to the committees of reference of the general assembly to which
7 the department is assigned, ~~pursuant to section 2-7-203 (1)~~, and
8 conspicuously post on its website an annual written report on the results
9 of the ongoing summative evaluation, which report shall include, at a
10 minimum:

11 (a) A descriptive and evaluative summary of the marketing and
12 outreach plan for the kickstarter program developed and implemented as
13 required by subsection (4)(c) of this section, including a description of the
14 strategies used and an assessment of the successes and failures of the plan
15 generally and of the individual strategies used; ~~and~~

16 (b) Statistical summaries of the usage of the kickstarter program
17 both for the past calendar year and for the life of the program that include:

18 (II) The number of eligible children, and the percentage of all
19 eligible children, for whom ~~the parent or parents~~ AN ACCOUNT SPONSOR
20 claimed kickstarter funding; ~~by opening accounts~~

21 (III) ~~The number of families who had not opened an account for~~
22 ~~any of their children before January 1, 2020, who opened an account for~~
23 ~~an eligible child or for any of their other children on or after January 1,~~
24 ~~2020, and the total number of accounts opened by such families;~~

25 (IV) ~~To the extent that such information is available,~~ The number
26 of ~~accounts opened~~ CLAIMS FOR KICKSTARTER FUNDING for both eligible
27 children ~~and other children~~ by ~~low-income, middle-income, and~~

1 ~~high-income families~~ AN ACCOUNT SPONSOR CATEGORIZED BY INCOME
2 LEVELS;

3 (V) The number of ~~accounts opened for both~~ ACCOUNT SPONSORS
4 CLAIMING KICKSTARTER FUNDING FOR AN eligible ~~children and other~~
5 ~~children~~, CHILD, and the percentage of ~~all accounts opened for both~~
6 eligible children ~~and for other children~~ FOR WHOM NO CLAIM FOR
7 KICKSTARTER FUNDING HAS BEEN MADE, in each county; and

8 (VI) ~~The number and percentage of all families claiming~~
9 ~~kickstarter funding for an eligible child; by opening an account:~~

10 (A) ~~Who did not make additional contributions to the account; and~~

11 (B) ~~Who did, or for whom others did, make additional~~
12 ~~contributions to the account.~~

13 (VII) THE AGE OF ELIGIBLE CHILDREN WHEN THE ACCOUNT
14 SPONSOR CLAIMS KICKSTARTER FUNDING; AND

15 (c) A SUMMARY OF GRANTS DISTRIBUTED TO APPROPRIATE
16 COMMUNITY-BASED NONPROFIT ORGANIZATIONS PURSUANT TO
17 SUBSECTION (4)(c) OF THIS SECTION AND A LIST OF THE GRANTEEES.

18 (7) The kickstarter program is intended to be a public-private
19 partnership, with the authority designating kickstarter funding for each
20 eligible child within the master account and transferring the kickstarter
21 funding into an individual college savings account for each eligible child
22 when ~~the parent or parents of~~ AN ACCOUNT SPONSOR FOR the eligible child
23 ~~claim~~ CLAIMS the kickstarter funding by opening the INDIVIDUAL COLLEGE
24 SAVINGS account and the state treasurer working with a private partner to
25 develop a free program of financial literacy education for eligible children
26 and ~~their parent or parents~~ AN ACCOUNT SPONSOR and other family
27 members OF THE ELIGIBLE CHILD. The state treasurer may seek to enter

1 into agreements with private foundations or other entities to fund,
2 develop, and implement the financial literacy education program
3 component of the kickstarter program, and the authority may seek to enter
4 into agreements with such private foundations or other entities to provide
5 additional funding for the kickstarter program.

6 (8) (c) The authority may expend money from the fund for any
7 kickstarter program purpose, and the state treasurer may expend money
8 from the fund for the purpose of developing and implementing a free
9 program of financial literacy education for eligible children and ~~their~~
10 ~~parent or parents~~ AN ACCOUNT SPONSOR and other family members OF THE
11 ELIGIBLE CHILD as authorized in subsection (5) of this section.

12 **SECTION 2.** In Colorado Revised Statutes, 25-2-112, **amend** (8)
13 as follows:

14 **25-2-112. Certificates of birth - filing - establishment of**
15 **parentage - notice to collegeinvest.** (8) On or before February 15, 2020,
16 and on or before the fifteenth day of each month thereafter, the state
17 registrar shall provide to the director of collegeinvest the name of each
18 eligible child, as defined in ~~section 23-3.1-306.5 (2)(a)~~ SECTION
19 23.3-1-306.5 (2)(a.5), born or adopted during the prior calendar month,
20 the date and location of the birth or adoption, and the name and mailing
21 address of the parent or parents, as defined in section 23-3.1-306.5 (2)(g),
22 of the eligible child listed on the eligible child's certificate of birth or the
23 report of adoption forwarded to the state registrar as required by section
24 25-2-107 (1).

25 **SECTION 3. Safety clause.** The general assembly finds,
26 determines, and declares that this act is necessary for the immediate
27 preservation of the public peace, health, or safety or for appropriations for

- 1 the support and maintenance of the departments of the state and state
- 2 institutions.