

Second Regular Session
Seventy-fifth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 26-0901.01 Jed Franklin x5484

HOUSE BILL 26-1416

HOUSE SPONSORSHIP

Nguyen and Brown, Taggart, Winter T., Camacho, Stewart K., Soper, Woog, Richardson, Carter, Titone, Lindsay, Velasco

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Amabile and Carson, Roberts, Pelton R.

House Committees
Appropriations

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING TRANSFERS FROM THE UNIVERSAL HIGH SCHOOL**
102 **SCHOLARSHIP CASH FUND.**

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 requires the state treasurer to transfer \$1.2 million from the universal high school scholarship cash fund (fund) to the Colorado economic development fund and \$2.3 million from the fund to the general fund on June 30, 2026.

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.

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

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

4 (a) Colorado's economy is experiencing a period of heightened
5 uncertainty driven by dynamic trade policies, uncertain funding
6 conditions, and evolving global economic pressures;

7 (b) These factors have contributed to increased costs for
8 businesses, disruptions in supply chains, and declining business
9 confidence across multiple sectors. This has also led to slowing job
10 growth, rising consumer debt, and weak economic confidence.

11 (c) With more than 99% of Colorado businesses classified as
12 small businesses, these impacts are felt across communities statewide,
13 particularly in rural areas that are increasingly vulnerable to economic
14 disruption. Key industries affected include outdoor gear manufacturing,
15 construction, retail, bioscience, technology, advanced manufacturing, and
16 energy. These pressures threaten business continuity, workforce stability,
17 and local economic ecosystems.

18 (d) Small businesses are a critical component of Colorado's
19 economy and community. The Colorado office of economic development
20 and international trade operates the small business development center
21 program. Through the office's support, the program generated an average
22 of \$2.15 in tax revenue for every \$1.00 invested in the program since
23 2020, with this amount increasing to an average of \$5.02 in tax revenue
24 from long-term clients. During the same time, every dollar invested in the
25 program resulted in approximately \$25.26 in new capital raised for small
26 businesses from external sources, such as federal, state, debt, and equity
27 financing.

1 (e) (I) The Colorado office of economic development and
2 international trade, through its economic development commission, has
3 a demonstrated history of strategically deploying state resources to
4 support economic growth, retain jobs, and respond to economic
5 disruptions. Pursuant to part 1 of article 46 of title 24, the economic
6 development commission has effectively leveraged its strategic fund and
7 related programs to support major statewide economic development
8 initiatives and preserve community businesses.

9 (II) In response to prior economic disruptions, including the
10 COVID-19 pandemic, the state established a robust portfolio of small
11 business support programs, including direct grants and technical
12 assistance. Some prior programs of this type included rural theater
13 rehabilitation, the community business preservation program, an
14 expansion of the rural jump-start program, and small business
15 development center support.

16 (III) The small business development center network experienced
17 delays in federal funding throughout calendar year 2025 and has yet to
18 receive its 2026 allocation, placing its operations, particularly rural
19 service centers, at risk. These disruptions underscore the need for flexible,
20 state-level tools to respond to funding instability at the federal level.

21 (2) (a) The general assembly therefore finds that it is necessary
22 and appropriate to adequately respond to the current economic
23 environment by providing the economic development commission the
24 ability to reallocate previously appropriated but unused funds to nimbly
25 respond to economic conditions and mitigate impacts to small businesses
26 without new employees, including the strategic use of previously
27 appropriated funds associated with the universal high school scholarship

1 program, created in Senate Bill 23-205, passed in 2023, which
2 experienced implementation challenges due to federal free application for
3 student aid rollout issues.

4 (b) By reallocating a portion of these previously appropriated
5 funds, the state can both return excess dollars to the general fund for
6 budget balancing purposes and provide targeted, immediate support to
7 small businesses facing economic hardship; and

8 (c) Enabling the reallocation of previously appropriated funds to
9 support small business resilience is a necessary and prudent response to
10 current economic conditions and is in the best interests of the state of
11 Colorado.

12 **SECTION 2.** In Colorado Revised Statutes, 24-48.5-502, **add**
13 (3)(b.7) and (3)(b.8) as follows:

14 **24-48.5-502. Universal high school scholarship program -**
15 **established - administration - cash fund - eligibility - transfers.**

16 (3) (b.7) ON JUNE 30, 2026, THE STATE TREASURER SHALL
17 TRANSFER ONE MILLION TWO HUNDRED THOUSAND DOLLARS FROM THE
18 CASH FUND TO THE COLORADO ECONOMIC DEVELOPMENT FUND, CREATED
19 IN SECTION 24-46-105 (1)(a).

20 (b.8) ON JUNE 30, 2026, THE STATE TREASURER SHALL TRANSFER
21 TWO MILLION THREE HUNDRED THOUSAND DOLLARS FROM THE CASH FUND
22 TO THE GENERAL FUND.

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