

HOUSE COMMITTEE OF REFERENCE REPORT

February 16, 2022

Chair of Committee

Date

Committee on Education.

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

HB22-1049 be amended as follows, and as so amended, be referred to the Committee of the Whole with favorable recommendation:

1 Amend printed bill, strike everything below the enacting clause and
2 substitute:

3 "SECTION 1. In Colorado Revised Statutes, **add** 23-5-113.5 as
4 follows:

5 **23-5-113.5. Prohibition on withholding transcripts and**
6 **diplomas - postsecondary institution - remedy - definitions.** (1) AS
7 USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:

8 (a) "DEBT" MEANS ANY MONEY, OBLIGATION, CLAIM, OR SUM, DUE
9 OR OWING, OR ALLEGED TO BE DUE OR OWING, FROM A CURRENT OR
10 FORMER STUDENT, BUT DOES NOT INCLUDE A FEE CHARGED TO A CURRENT
11 OR FORMER STUDENT FOR THE ACTUAL COST OF PROVIDING A TRANSCRIPT
12 OR DIPLOMA.

13 (b) "FINANCIAL AID FUNDS" MEANS FINANCIAL AID FUNDS THAT A
14 CURRENT OR FORMER STUDENT OWES TO A POSTSECONDARY INSTITUTION
15 UNDER TITLE IV, OR TO THE STATE, DUE TO MISCALCULATION,
16 WITHDRAWAL, MISINFORMATION, OR ANY OTHER REASON, NOT INCLUDING
17 THE STANDARD REPAYMENT OF STUDENT LOANS.

18 (c) "POSTSECONDARY INSTITUTION" MEANS A PUBLIC INSTITUTION
19 OF HIGHER EDUCATION, AS DEFINED IN SECTION 23-4.5-102 (7); A PRIVATE
20 INSTITUTION OF HIGHER EDUCATION, AS DEFINED IN SECTION 23-18-102
21 (9); OR A PRIVATE OCCUPATIONAL SCHOOL, AS DEFINED IN SECTION
22 23-2-102 (13).

23 (d) "ROOM AND BOARD FEES" MEANS ANY MONEY, OBLIGATION,
24 CLAIM, OR SUM, DUE OR OWING, OR ALLEGED TO BE DUE OR OWING, FROM
25 A CURRENT OR FORMER STUDENT FOR THE PROVISION OF CONTRACTUALLY
26 AGREED UPON ON-CAMPUS HOUSING OR MEAL SERVICES PLANS.

27 (e) "STUDENT LOAN BORROWER" HAS THE SAME MEANING AS SET

1 FORTH IN SECTION 5-20-103 (7).
2 (f) "STUDENT LOAN OMBUDSPERSON" MEANS THE STUDENT LOAN
3 OMBUDSPERSON DESIGNATED IN SECTION 5-20-104.
4 (2) NOTWITHSTANDING ANY PROVISION OF LAW TO THE
5 CONTRARY, WITH REGARD TO A CURRENT OR FORMER STUDENT WHO OWES
6 A DEBT, A POSTSECONDARY INSTITUTION SHALL NOT:
7 (a) REFUSE TO PROVIDE A TRANSCRIPT OR DIPLOMA FOR THE
8 CURRENT OR FORMER STUDENT ON THE GROUNDS THAT THE STUDENT
9 OWES A DEBT;
10 (b) CONDITION THE PROVISION OF A TRANSCRIPT OR DIPLOMA ON
11 PAYMENT OF A DEBT;
12 (c) CHARGE A HIGHER FEE TO OBTAIN A TRANSCRIPT OR DIPLOMA
13 OR PROVIDE LESS FAVORABLE TREATMENT IN RESPONSE TO A TRANSCRIPT
14 OR DIPLOMA REQUEST BECAUSE THE REQUESTING CURRENT OR FORMER
15 STUDENT OWES A DEBT; OR
16 (d) OTHERWISE USE TRANSCRIPT OR DIPLOMA ISSUANCE AS A TOOL
17 FOR DEBT COLLECTION.
18 (3) (a) NOTWITHSTANDING THE PROHIBITION STATED IN
19 SUBSECTION (2)(a) OF THIS SECTION, A POSTSECONDARY INSTITUTION MAY
20 REFUSE TO PROVIDE A TRANSCRIPT OR DIPLOMA FOR A CURRENT OR
21 FORMER STUDENT ON THE GROUNDS THAT THE STUDENT OWES A DEBT FOR
22 TUITION, ROOM AND BOARD FEES, OR FINANCIAL AID FUNDS, UNLESS THE
23 STUDENT IS REQUESTING THE TRANSCRIPT OR DIPLOMA FOR ONE OF THE
24 FOLLOWING PURPOSES:
25 (I) A JOB APPLICATION;
26 (II) TRANSFERRING TO ANOTHER POSTSECONDARY INSTITUTION;
27 (III) APPLYING FOR STATE, FEDERAL, OR INSTITUTIONAL FINANCIAL
28 AID;
29 (IV) PURSUIT OF OPPORTUNITIES IN THE MILITARY OR NATIONAL
30 GUARD; OR
31 (V) PURSUIT OF OTHER POSTSECONDARY OPPORTUNITIES.
32 (b) (I) EACH POSTSECONDARY INSTITUTION SHALL ADOPT A POLICY
33 THAT OUTLINES THE PROCESS BY WHICH A STUDENT MAY OBTAIN A
34 TRANSCRIPT OR DIPLOMA AND THE CIRCUMSTANCES UNDER WHICH A
35 CURRENT OR FORMER STUDENT'S TRANSCRIPT OR DIPLOMA MAY BE
36 WITHHELD PURSUANT TO SUBSECTION (3)(a) OF THIS SECTION. AT A
37 MINIMUM, THE POLICY MUST INCLUDE:
38 (A) THE ABILITY FOR THE STUDENT TO APPLY FOR A FINANCIAL
39 HARDSHIP WAIVER TO OBTAIN A TRANSCRIPT OR DIPLOMA;
40 (B) AN EXCEPTION TO WITHHOLDING THE TRANSCRIPT OR DIPLOMA
41 FOR A STUDENT WHO DEMONSTRATES THE TRANSCRIPT OR DIPLOMA IS
42 REQUESTED FOR A PURPOSE SPECIFIED IN SUBSECTION (3)(a) OF THIS
43 SECTION;

1 (C) AN OPPORTUNITY TO ESTABLISH A PAYMENT PLAN FOR THE
2 DEBT;

3 (D) IDENTIFICATION OF THE POINT AT WHICH A STUDENT WILL NO
4 LONGER BE ABLE TO REGISTER FOR CLASSES DUE TO THE DEBT OWED; AND

5 (E) IDENTIFICATION OF THE POINT AT WHICH A STUDENT MAY BE
6 SUBJECT TO A TRANSCRIPT, DIPLOMA, OR REGISTRATION HOLD, INCLUDING
7 THE TIME FRAMES AND AMOUNTS FOR WHICH THE HOLDS ARE TO BE USED
8 AND THE LOWEST AMOUNT OF DEBT AT WHICH THE INSTITUTION WILL
9 ASSIGN THE DEBT TO A THIRD-PARTY COLLECTION AGENCY.

10 (II) THE POSTSECONDARY INSTITUTION SHALL POST THE POLICY
11 DESCRIBED IN SUBSECTION (3)(b)(I) OF THIS SECTION AND THE
12 PROCEDURES FOR FILING A COMPLAINT WITH THE STUDENT LOAN
13 OMBUDSPERSON ON THE POSTSECONDARY INSTITUTION'S WEBSITE AND
14 PROVIDE THE POLICY AND THE PROCEDURES TO STUDENTS AS PART OF THE
15 INFORMATION SHARED RELATING TO THE COST OF ATTENDANCE THAT
16 INCLUDES ANY ADDITIONAL FEES, FINANCIAL AID, SCHOLARSHIPS, OR
17 OTHER INFORMATION.

18 (4) (a) BEGINNING JULY 1, 2024, EACH POSTSECONDARY
19 INSTITUTION SHALL ANNUALLY REPORT TO THE DEPARTMENT OF HIGHER
20 EDUCATION CONCERNING TRANSCRIPT AND REGISTRATION HOLDS,
21 INCLUDING:

22 (I) THE POSTSECONDARY INSTITUTION'S POLICY DEVELOPED
23 PURSUANT TO SUBSECTION (3)(b) OF THIS SECTION;

24 (II) THE NUMBER OF STUDENTS FOR WHOM THE POSTSECONDARY
25 INSTITUTION IS WITHHOLDING OFFICIAL TRANSCRIPTS, DIPLOMAS, AND
26 REGISTRATION PRIVILEGES; AND

27 (III) THE NUMBER OF PAST-DUE STUDENT ACCOUNTS ASSIGNED TO
28 THIRD-PARTY COLLECTION AGENCIES, INCLUDING THE NUMBER OF
29 STUDENTS WHO ARE ELIGIBLE FOR FEDERAL PELL GRANTS.

30 (b) BEGINNING JANUARY 2025, AND EACH JANUARY THEREAFTER,
31 THE DEPARTMENT OF HIGHER EDUCATION SHALL ANNUALLY REPORT ON
32 THE INFORMATION DESCRIBED IN SUBSECTION (4)(a) OF THIS SECTION AT
33 THE DEPARTMENT'S ANNUAL HEARING PURSUANT TO THE "STATE
34 MEASUREMENT FOR ACCOUNTABLE, RESPONSIVE, AND TRANSPARENT
35 (SMART) GOVERNMENT ACT", PART 2 OF ARTICLE 7 OF TITLE 2.

36 (5) (a) THE STUDENT LOAN OMBUDSPERSON MAY PROVIDE
37 INFORMATION TO THE PUBLIC REGARDING THE LIMITS DESCRIBED IN THIS
38 SECTION ON WITHHOLDING A TRANSCRIPT OR DIPLOMA AND MAY RECEIVE
39 COMPLAINTS FROM STUDENT LOAN BORROWERS WHO HAVE HAD A
40 TRANSCRIPT WITHHELD.

41 (b) BEGINNING JANUARY 2025, AND EACH JANUARY THEREAFTER,
42 THE ATTORNEY GENERAL'S OFFICE SHALL COMPILE DATA ON THE
43 COMPLAINTS RECEIVED BY THE STUDENT LOAN OMBUDSPERSON PURSUANT

1 TO SUBSECTION (5)(a) OF THIS SECTION AND ANNUALLY REPORT THE DATA
2 THROUGH THE ANNUAL HEARING FOR THE DEPARTMENT OF LAW HELD
3 PURSUANT TO THE "STATE MEASUREMENT FOR ACCOUNTABLE,
4 RESPONSIVE, AND TRANSPARENT (SMART) GOVERNMENT ACT", PART 2
5 OF ARTICLE 7 OF TITLE 2.

6 (6) THIS SECTION DOES NOT PROHIBIT A PERSON FROM PURSUING
7 ANY OTHER REMEDY PROVIDED BY LAW FOR A VIOLATION OF THIS
8 SECTION.

9 **SECTION 2. Safety clause.** The general assembly hereby finds,
10 determines, and declares that this act is necessary for the immediate
11 preservation of the public peace, health, or safety."

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