

Second Regular Session
Seventieth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 16-0170.01 Brita Darling x2241

HOUSE BILL 16-1196

HOUSE SPONSORSHIP

Pettersen and Rankin, Duran, Hullinghorst

SENATE SPONSORSHIP

Johnston,

House Committees
Education

Senate Committees

A BILL FOR AN ACT

101 CONCERNING THE CREATION OF THE ASPIRE TO COLLEGE COLORADO
102 PILOT PROGRAM FOR COLLEGE SAVINGS FOR PRESCHOOL
103 CHILDREN.

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://www.leg.state.co.us/bills summaries>.)

The bill creates the aspire to college Colorado pilot program (pilot program) in the department of human services (state department) to provide college savings accounts, as defined in the bill, to preschool-aged children served in an early childhood program. The state department shall administer the pilot program and shall adopt necessary rules for

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

implementation of the pilot program.

Within existing appropriations, the state department shall make an initial \$50 contribution to a college savings account administered by collegeinvest as part of the college savings program on behalf of an eligible child. The pilot program may serve up to 2,000 eligible children per year for up to 3 years. Through private donations, the pilot program may provide matching dollars for family savings, bonuses to encourage regular savings, family financial education, and an evaluation of the long-term impact of the pilot program.

The bill creates the aspire to college Colorado pilot program fund.

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

SECTION 1. In Colorado Revised Statutes, 26-1-111, **add** (2)(v) as follows:

26-1-111. Activities of the state department under the supervision of the executive director - cash fund - report - rules - statewide adoption resource registry. (2) The state department, under the supervision of the executive director, shall:

(v) DEVELOP AND ADMINISTER THE ASPIRE TO COLLEGE COLORADO PILOT PROGRAM ESTABLISHED IN SECTION 26-1-140.

SECTION 2. In Colorado Revised Statutes, **add** 26-1-140 as follows:

26-1-140. Aspire to college Colorado pilot program - establishment - powers - duties - fund - rules - legislative declaration - definitions. (1) (a) THE GENERAL ASSEMBLY FINDS AND DECLARES THAT:

(I) APPROXIMATELY SEVENTEEN PERCENT OF CHILDREN UNDER EIGHTEEN YEARS OF AGE IN COLORADO LIVE IN POVERTY;

(II) APPROXIMATELY THIRTY-EIGHT PERCENT OF ALL COLORADO RESIDENTS TWENTY-FIVE YEARS OF AGE AND OLDER HAVE A BACHELOR'S DEGREE OR HIGHER; HOWEVER, ONLY ABOUT SEVENTEEN PERCENT OF

1 COLORADANS IN POVERTY HAVE A BACHELOR'S DEGREE;

2 (III) THE COLLEGE SAVINGS ACCOUNTS ESTABLISHED THROUGH
3 THE ASPIRE TO COLLEGE COLORADO PILOT PROGRAM WILL PROVIDE AN
4 INNOVATIVE OPPORTUNITY FOR CREATING A PUBLIC-PRIVATE PARTNERSHIP
5 AND STATE-LEVEL PLAN AIMED AT TRANSFORMING THE COLLEGE
6 ASPIRATIONS AND ATTENDANCE OF THOUSANDS OF COLORADO CHILDREN;

7 (IV) EMPIRICAL EVIDENCE GATHERED OVER THE LAST SEVERAL
8 YEARS DOCUMENTS THE POSITIVE IMPACT AND POTENTIAL OF CHILDREN'S
9 SAVINGS ACCOUNTS TO EXPAND EDUCATIONAL AND ECONOMIC
10 OPPORTUNITY FOR LOW- AND MODERATE-INCOME FAMILIES;

11 (V) CHILDREN'S SAVINGS ACCOUNTS IMPROVE EARLY CHILD
12 DEVELOPMENT AND FUTURE FINANCIAL CAPABILITY. CHILDREN PROVIDED
13 A CHILDREN'S SAVINGS ACCOUNT AT BIRTH SCORE BETTER ON
14 SOCIO-EMOTIONAL DEVELOPMENT INDICATORS THAN THEIR
15 COUNTERPARTS WHO DID NOT RECEIVE A CHILDREN'S SAVINGS ACCOUNT.
16 FAMILIES WITH CHILDREN WHO ARE PROVIDED A SEEDDED, MATCHED
17 SAVINGS ACCOUNT AT BIRTH SAVE SIGNIFICANTLY MORE FOR COLLEGE
18 THAN FAMILIES OF CHILDREN WHO DID NOT RECEIVE THESE ACCOUNTS.
19 COMPARED TO CHILDREN WITHOUT SAVINGS, CHILDREN WITH SAVINGS
20 ACCUMULATED A SIGNIFICANTLY GREATER LEVEL OF SAVINGS AS ADULTS.

21 (VI) CHILDREN WITH COLLEGE SAVINGS HAVE GREATER COLLEGE
22 EXPECTATIONS. CHILDREN'S SAVINGS ACCOUNTS PROMOTE THE
23 IMPORTANCE OF HIGHER EDUCATION AND MAKE THE FUTURE FEEL MORE
24 PROXIMATE FOR CHILDREN. CHILDREN AGED TWELVE TO EIGHTEEN YEARS
25 OF AGE WITH A SAVINGS ACCOUNT FOR COLLEGE WERE TWICE AS LIKELY
26 TO EXPECT TO GO TO COLLEGE THAN THEIR COUNTERPARTS WITHOUT A
27 COLLEGE SAVINGS ACCOUNT.

1 (VII) CHILDREN WITH COLLEGE SAVINGS DO BETTER
2 ACADEMICALLY. CHILDREN IN LOW-WEALTH FAMILIES WITH COLLEGE
3 SAVINGS HAVE HIGHER MATH SCORES THAN THOSE WITHOUT COLLEGE
4 SAVINGS. EVEN A SMALL AMOUNT OF COLLEGE SAVINGS CAN HAVE A BIG
5 EFFECT ON COLLEGE ENROLLMENT AND GRADUATION. LOW- AND
6 MODERATE-INCOME CHILDREN WITH FIVE HUNDRED DOLLARS OR LESS IN
7 SAVINGS WERE THREE TIMES MORE LIKELY TO ENROLL IN COLLEGE THAN
8 CHILDREN WITH NO SAVINGS AND FOUR TIMES MORE LIKELY TO
9 GRADUATE.

10 (VIII) CHILDREN'S SAVINGS ACCOUNTS HELP MAKE SAVING FOR
11 COLLEGE PART OF THE COLLECTIVE CULTURE OF COLORADO BY OPENING
12 THE DOOR FOR ECONOMIC OPPORTUNITY FOR LOW-INCOME CHILDREN AND
13 THEIR FAMILIES. THESE ACCOUNTS HELP TO BETTER POSITION THE STATE
14 AS A PIONEER IN BUILDING FAMILY FINANCIAL CAPABILITY AND AID IN
15 DEVELOPING A STRONGER, MORE QUALIFIED WORKFORCE IN COLORADO.

16 (b) THEREFORE, THE GENERAL ASSEMBLY DECLARES THAT
17 ESTABLISHING THE ASPIRE TO COLLEGE COLORADO PILOT PROGRAM,
18 WHICH PROVIDES A SMALL AMOUNT OF SEED MONEY FOR CHILDREN IN
19 PRIMARILY LOW-INCOME FAMILIES, THAT MAY BE MATCHED BY PRIVATE
20 DOLLARS AND THE POTENTIAL FOR FAMILY CONTRIBUTIONS, WILL ALLOW
21 THE STATE TO DETERMINE THE EFFICACY OF PROVIDING SEEDED ACCOUNTS
22 AS A MEANS OF INCREASING ACADEMIC PERFORMANCE AND SELF ESTEEM
23 IN A CHILD'S EARLY YEARS AND COLLEGE ENROLLMENT AND DEGREE
24 ATTAINMENT IN THE LONG TERM.

25 (2) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
26 REQUIRES:

27 (a) "COLLEGE SAVINGS ACCOUNT" MEANS AN INDIVIDUAL SAVINGS

1 ACCOUNT OF THE COLLEGE SAVINGS PROGRAM.

2 (b) "COLLEGE SAVINGS PROGRAM" MEANS THE COLLEGE SAVINGS
3 PROGRAM ESTABLISHED PURSUANT TO PART 3 OF ARTICLE 3.1 OF TITLE 23,
4 C.R.S.

5 (c) "EARLY CHILDHOOD PROGRAM" MEANS A PRESCHOOL
6 PROGRAM AS DEFINED IN RULES OF THE STATE DEPARTMENT.

7 (d) "ELIGIBLE CHILD" MEANS A PRESCHOOL-AGED CHILD ENROLLED
8 IN AN EARLY CHILDHOOD PROGRAM THAT IS A PARTICIPATING PILOT SITE.

9 (e) "PILOT PROGRAM" MEANS THE ASPIRE TO COLLEGE COLORADO
10 PILOT PROGRAM CREATED PURSUANT TO THIS SECTION.

11 (3) THERE IS HEREBY CREATED IN THE STATE DEPARTMENT UNDER
12 THE SUPERVISION OF THE EXECUTIVE DIRECTOR THE ASPIRE TO COLLEGE
13 COLORADO PILOT PROGRAM TO PROVIDE COLLEGE SAVINGS ACCOUNTS TO
14 PRIMARILY LOW-INCOME, PRESCHOOL-AGE CHILDREN SERVED IN AN EARLY
15 CHILDHOOD PROGRAM. THE STATE DEPARTMENT SHALL ESTABLISH THE
16 COMPONENTS OF THE PILOT PROGRAM.

17 (4) WITHIN ITS EXISTING APPROPRIATIONS, THE STATE
18 DEPARTMENT SHALL MAKE AN INITIAL FIFTY-DOLLAR DEPOSIT INTO A
19 COLLEGE SAVINGS ACCOUNT FOR THE BENEFIT OF AN ELIGIBLE CHILD FOR
20 UP TO TWO THOUSAND CHILDREN PER YEAR, FOR UP TO THREE YEARS.

21 (5) IF PROVIDED THROUGH PRIVATE DONATIONS OR RESOURCES, IN
22 ADDITION TO ANY OTHER COMPONENTS OF THE PILOT PROGRAM, THE PILOT
23 PROGRAM MAY INCLUDE:

24 (a) MONETARY CONTRIBUTIONS TO MATCH FAMILY SAVINGS;

25 (b) BONUSES TO ENCOURAGE REGULAR SAVINGS; AND

26 (c) A PROGRAM FOR FINANCIAL EDUCATION FOR ELIGIBLE
27 CHILDREN AND THEIR FAMILIES.

1 (6) THE PILOT PROGRAM IS INTENDED TO BE A PUBLIC-PRIVATE
2 PARTNERSHIP, WITH THE STATE DEPARTMENT PROVIDING THE INITIAL
3 DEPOSITS INTO THE COLLEGE SAVINGS ACCOUNTS AND PRIVATE
4 MONETARY DONATIONS AND PRIVATE RESOURCES USED TO MATCH FAMILY
5 CONTRIBUTIONS, AND TO PROVIDE ADDITIONAL INCENTIVES FOR REGULAR
6 SAVING, DEVELOP A PROGRAM OF FINANCIAL LITERACY EDUCATION, AND
7 CONDUCT AN EVALUATION TO COLLECT SUMMATIVE DATA TO
8 DEMONSTRATE THE PROGRAM'S EFFECTIVENESS OVER TIME. THE STATE
9 DEPARTMENT MAY ENTER INTO AGREEMENTS WITH PRIVATE FOUNDATIONS
10 OR OTHER ENTITIES TO IMPLEMENT THE PILOT PROGRAM.

11 (7) (a) THE ASPIRE TO COLLEGE COLORADO PILOT PROGRAM FUND,
12 REFERRED TO IN THIS SUBSECTION (7) AS THE "FUND", IS CREATED IN THE
13 STATE TREASURY. THE FUND CONSISTS OF GIFTS, GRANTS, AND DONATIONS
14 CREDITED TO THE FUND PURSUANT TO THIS SECTION AND ANY OTHER
15 MONEY THAT THE GENERAL ASSEMBLY MAY APPROPRIATE OR TRANSFER
16 TO THE FUND.

17 (b) THE STATE TREASURER SHALL CREDIT ALL INTEREST AND
18 INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE
19 FUND TO THE FUND.

20 (c) SUBJECT TO ANNUAL APPROPRIATION BY THE GENERAL
21 ASSEMBLY, THE STATE DEPARTMENT MAY EXPEND MONEY FROM THE FUND
22 FOR PURPOSES OF THE PILOT PROGRAM CREATED IN THIS SECTION.

23 (d) THE STATE DEPARTMENT MAY SEEK AND ACCEPT GIFTS,
24 GRANTS, OR DONATIONS FROM PRIVATE OR PUBLIC SOURCES FOR THE
25 PURPOSES OF THIS SECTION. THE STATE DEPARTMENT SHALL TRANSMIT
26 ALL MONEY RECEIVED THROUGH GIFTS, GRANTS, OR DONATIONS TO THE
27 STATE TREASURER, WHO SHALL CREDIT THE MONEY TO THE FUND.

1 (8) IN ACCORDANCE WITH SECTION 24-4-103, C.R.S., THE STATE
2 DEPARTMENT SHALL ADOPT RULES NECESSARY FOR THE ADMINISTRATION
3 OF THE PILOT PROGRAM, INCLUDING RULES RELATING TO ELIGIBILITY,
4 DUTIES OF PARTICIPATING PILOT SITES, ADDITIONAL MONETARY
5 CONTRIBUTIONS AND INCENTIVES, AND DATA COLLECTION NECESSARY TO
6 EVALUATE THE PILOT PROGRAM.

7 **SECTION 3. Safety clause.** The general assembly hereby finds,
8 determines, and declares that this act is necessary for the immediate
9 preservation of the public peace, health, and safety.