

**First Regular Session  
Seventy-second General Assembly  
STATE OF COLORADO**

**INTRODUCED**

LLS NO. 19-0234.01 Julie Pelegrin x2700

**SENATE BILL 19-074**

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**SENATE SPONSORSHIP**

**Lundeen,**

**HOUSE SPONSORSHIP**

**(None),**

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**Senate Committees**

Education  
Finance

**House Committees**

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**A BILL FOR AN ACT**

101      **CONCERNING MONETARY SUPPORT TO PROVIDE LITERACY**  
102              **ENRICHMENT FOR EARLY-GRADE STUDENTS WHO ARE**  
103              **IDENTIFIED AS HAVING A SIGNIFICANT READING DEFICIENCY,**  
104              **AND, IN CONNECTION THEREWITH, CREATING THE LITERACY**  
105              **ENRICHMENT SCHOLARSHIP PROGRAM.**

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**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 creates the literacy enrichment scholarship program (program) for students in kindergarten or grades one through 3 who are

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

identified as having a significant reading deficiency. The scholarship amount is limited to \$500 per student per year and may be used by the student's parent to purchase literacy enrichment products and services for the student.

The department of education (department) must implement the program by contracting with a nonprofit entity to administer distribution of the scholarship money. The administering entity will accept applications and confirm that the applying student and his or her parents meet the eligibility requirements. The administering entity will then notify the department, and the department will forward the scholarship amount for the eligible student to the administering entity, which will deposit the money in the eligible student's account. The administering entity must establish a money transfer service by which the parent of an eligible student may withdraw money from the account. A parent may use the scholarship money only for literacy enrichment purposes and may not accept payments from literacy enrichment providers. The bill specifies procedures for enforcing these requirements.

By January 31, 2023, the department must evaluate whether the program is successful in assisting students to improve literacy skills. The department must submit the evaluation to the state board of education and the education committees of the general assembly.

The general assembly will appropriate money annually for the program to the literacy enrichment scholarship fund, which is created in the bill. The program is repealed, effective July 1, 2025.

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

2 **SECTION 1.** In Colorado Revised Statutes, **add** 22-7-1215 as  
3 follows:

4 **22-7-1215. Literacy enrichment scholarships - created -**  
5 **evaluation - report - legislative declaration - definitions - repeal.**

6 (1) THE GENERAL ASSEMBLY FINDS THAT THE LEVEL OF LITERACY  
7 SUPPORT THAT PARENTS CAN PROVIDE FOR THEIR CHILD OUTSIDE OF THE  
8 CLASSROOM IS A SIGNIFICANT FACTOR IN DETERMINING WHETHER THE  
9 CHILD IS READING AT OR ABOVE GRADE LEVEL, ESPECIALLY IN EARLY  
10 GRADES. THE GENERAL ASSEMBLY FURTHER FINDS THAT PARENTS' ABILITY  
11 TO PROVIDE THIS SUPPORT IS IN MANY CASES DIRECTLY RELATED TO THE

1 PARENTS' INCOME, LEADING TO A LITERACY ENRICHMENT GAP BETWEEN  
2 CHILDREN WHO COME FROM DIFFERING SOCIO-ECONOMIC LEVELS. THE  
3 GENERAL ASSEMBLY FINDS, THEREFORE, THAT IT IS NECESSARY TO  
4 PROVIDE A SCHOLARSHIP PROGRAM TO ENABLE LOWER-INCOME FAMILIES  
5 WHOSE CHILDREN HAVE SIGNIFICANT READING DEFICIENCIES IN  
6 KINDERGARTEN THROUGH THIRD GRADE TO PROVIDE LITERACY  
7 ENRICHMENT OPPORTUNITIES FOR THEIR CHILDREN TO ENABLE THEM TO  
8 MEET AND EXCEED THE MINIMUM SKILL LEVELS FOR READING  
9 COMPETENCY APPROPRIATE TO THEIR GRADE LEVELS.

10 (2) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE  
11 REQUIRES:

12 (a) "ACCOUNT" MEANS A LITERACY ENRICHMENT ACCOUNT  
13 CREATED FOR AN ELIGIBLE STUDENT AS PROVIDED IN SUBSECTION (7)(a)  
14 OF THIS SECTION.

15 (b) "ADMINISTERING ENTITY" MEANS THE NONPROFIT ENTITY  
16 SELECTED BY THE DEPARTMENT PURSUANT TO SUBSECTION (3) OF THIS  
17 SECTION TO ADMINISTER THE LITERACY ENRICHMENT SCHOLARSHIP  
18 PROGRAM.

19 (c) "ELIGIBLE STUDENT" MEANS A STUDENT WHO MEETS THE  
20 CRITERIA SPECIFIED IN SUBSECTION (5) OF THIS SECTION.

21 (d) "FUND" MEANS THE LITERACY ENRICHMENT SCHOLARSHIP  
22 FUND CREATED IN SUBSECTION (11) OF THIS SECTION.

23 (e) "PROGRAM" MEANS THE LITERACY ENRICHMENT SCHOLARSHIP  
24 PROGRAM CREATED IN THIS SECTION.

25 (f) "SCHOLARSHIP" MEANS A LITERACY ENRICHMENT SCHOLARSHIP  
26 AWARDED AS PROVIDED IN THIS SECTION.

27 (3) (a) THERE IS CREATED IN THE DEPARTMENT THE LITERACY

1 ENRICHMENT SCHOLARSHIP PROGRAM. DURING THE 2019-20 BUDGET  
2 YEAR, THE DEPARTMENT SHALL CONTRACT WITH A NONPROFIT ENTITY TO  
3 ADMINISTER THE PROGRAM IN ACCORDANCE WITH THE REQUIREMENTS OF  
4 THIS SECTION. THE ADMINISTERING ENTITY SHALL BEGIN AWARDING THE  
5 LITERACY ENRICHMENT SCHOLARSHIPS BEGINNING IN THE 2020-21  
6 BUDGET YEAR.

7 (b) THE DEPARTMENT SHALL SELECT THE ADMINISTERING ENTITY  
8 THROUGH A REQUEST FOR PROPOSALS PROCESS. THE STATE BOARD SHALL  
9 CONTRACT WITH THE SELECTED ENTITY TO ACT AS THE ADMINISTERING  
10 ENTITY. THE DEPARTMENT SHALL SELECT AN ENTITY THAT HAS  
11 DEMONSTRATED SUCCESS IN ADMINISTERING FINANCIAL ACCOUNTS AND  
12 IS CAPABLE OF EFFICIENTLY IMPLEMENTING A SYSTEM FOR PAYMENT BY  
13 ELECTRONIC FUNDS TRANSFER OF MONEY FROM LITERACY ENRICHMENT  
14 ACCOUNTS. THE STATE BOARD SHALL SELECT THE ADMINISTERING ENTITY  
15 AND ENTER INTO A CONTRACT WITH THE ADMINISTERING ENTITY NO LATER  
16 THAN JANUARY 1, 2020, WHICH CONTRACT IS SUBJECT TO ANNUAL REVIEW  
17 AND RENEWAL.

18 (c) IN ADMINISTERING THE PROGRAM, THE ADMINISTERING ENTITY  
19 SHALL:

20 (I) MAINTAIN CLEAR ACCOUNTING AND SEPARATE ACCOUNTS FOR  
21 OPERATIONAL AND SCHOLARSHIP MONEY;

22 (II) COMPLETE AND SUBMIT TO THE DEPARTMENT AN ANNUAL  
23 INDEPENDENT FINANCIAL AUDIT IN ACCORDANCE WITH TIMELINES SET BY  
24 THE DEPARTMENT; AND

25 (III) COMPLY WITH ANY RULES OR PROCEDURES ADOPTED BY THE  
26 STATE BOARD OR THE DEPARTMENT FOR IMPLEMENTING THE PROGRAM.

27 (4) BY SEPTEMBER 30, 2020, AND BY SEPTEMBER 30 EACH YEAR

1       THEREAFTER, EACH LOCAL EDUCATION PROVIDER SHALL PROVIDE NOTICE  
2       OF THE ELIGIBILITY REQUIREMENTS AND THE APPLICATION PROCESS FOR  
3       A LITERACY ENRICHMENT SCHOLARSHIP TO THE PARENT OF EACH STUDENT  
4       WHO IS ENROLLED BY THE LOCAL EDUCATION PROVIDER IN KINDERGARTEN  
5       OR FIRST, SECOND, OR THIRD GRADE AND IS IDENTIFIED AS HAVING A  
6       SIGNIFICANT READING DEFICIENCY. THE DEPARTMENT SHALL PROVIDE THE  
7       INFORMATION TO LOCAL EDUCATION PROVIDERS TO INCLUDE IN THE  
8       NOTICE TO PARENTS.

9               (5) A STUDENT IS ELIGIBLE TO RECEIVE A LITERACY ENRICHMENT  
10       SCHOLARSHIP IF THE STUDENT:

11               (a) IS ENROLLED IN A PUBLIC SCHOOL IN KINDERGARTEN OR FIRST,  
12       SECOND, OR THIRD GRADE AND IS IDENTIFIED AS HAVING A SIGNIFICANT  
13       READING DEFICIENCY PURSUANT TO SECTION 22-7-1205; AND

14               (b) THE STUDENT'S ANNUAL FAMILY INCOME DOES NOT EXCEED  
15       THREE HUNDRED PERCENT OF THE FEDERAL POVERTY GUIDELINES FOR THE  
16       CALENDAR YEAR PRECEDING THE YEAR IN WHICH THE PARENT INITIALLY  
17       APPLIES FOR A SCHOLARSHIP. A STUDENT REMAINS ELIGIBLE TO RECEIVE  
18       A LITERACY ENRICHMENT SCHOLARSHIP IN SUBSEQUENT YEARS  
19       REGARDLESS OF WHETHER THE STUDENT'S ANNUAL FAMILY INCOME  
20       INCREASES.

21               (6) (a) TO INITIALLY RECEIVE A SCHOLARSHIP, AN ELIGIBLE  
22       STUDENT'S PARENT MUST APPLY TO THE ADMINISTERING ENTITY. AT A  
23       MINIMUM, THE APPLICATION MUST:

24               (I) SPECIFY THE ELIGIBLE STUDENT'S NAME, ADDRESS, SCHOOL OF  
25       ENROLLMENT, AND GRADE LEVEL AND DEMONSTRATE THAT THE ELIGIBLE  
26       STUDENT IS IDENTIFIED AS HAVING A SIGNIFICANT READING DEFICIENCY;  
27       AND

1           (II) PROVIDE EVIDENCE OF THE AMOUNT OF THE ELIGIBLE  
2 STUDENT'S FAMILY INCOME FOR THE CALENDAR YEAR PRECEDING THE  
3 APPLICATION DATE.

4           (b) TO RECEIVE A SCHOLARSHIP FOR A SECOND OR SUBSEQUENT  
5 SCHOOL YEAR, AN ELIGIBLE STUDENT'S PARENT MUST SUBMIT A RENEWAL  
6 APPLICATION TO THE ADMINISTERING ENTITY THAT INCLUDES AT A  
7 MINIMUM THE INFORMATION DESCRIBED IN SUBSECTION (6)(a)(I) OF THIS  
8 SECTION.

9           (7) (a) THE ADMINISTERING ENTITY SHALL REVIEW THE  
10 APPLICATIONS RECEIVED PURSUANT TO SUBSECTION (6) OF THIS SECTION  
11 AND CONFIRM THAT THE APPLYING PARENT'S STUDENT IS ELIGIBLE TO  
12 RECEIVE A SCHOLARSHIP. THE ADMINISTERING ENTITY SHALL NOTIFY THE  
13 DEPARTMENT THAT AN APPLYING STUDENT HAS BEEN CONFIRMED TO BE  
14 ELIGIBLE TO RECEIVE A SCHOLARSHIP, AND THE DEPARTMENT SHALL  
15 TRANSMIT THE ELIGIBLE STUDENT'S SCHOLARSHIP IN THE AMOUNT OF FIVE  
16 HUNDRED DOLLARS TO THE ADMINISTERING ENTITY TO BE DEPOSITED INTO  
17 THE ELIGIBLE STUDENT'S LITERACY ENRICHMENT ACCOUNT CREATED BY  
18 THE ADMINISTERING ENTITY. IN NOTIFYING THE DEPARTMENT, THE  
19 ADMINISTERING ENTITY SHALL PROVIDE TO THE DEPARTMENT THE  
20 IDENTIFYING STUDENT INFORMATION DESCRIBED IN SUBSECTION (6)(a)(I)  
21 OF THIS SECTION. THE AMOUNT OF THE SCHOLARSHIP IS FIVE HUNDRED  
22 DOLLARS EACH SCHOOL YEAR FOR EACH STUDENT WHOSE PARENT APPLIES  
23 FOR A SCHOLARSHIP AND WHO IS CONFIRMED TO BE ELIGIBLE TO RECEIVE  
24 THE SCHOLARSHIP. THE SCHOLARSHIPS ARE AWARDED SUBJECT TO  
25 AVAILABLE APPROPRIATIONS.

26           (b) ANY ACCRUED INTEREST IN AN ELIGIBLE STUDENT'S ACCOUNT  
27 IS IN ADDITION TO, AND NOT PART OF, THE AWARDED SCHOLARSHIP

1 MONEY, AND ACCOUNTS INCLUDE BOTH THE SCHOLARSHIP MONEY AND  
2 ACCRUED INTEREST. THE SCHOLARSHIP MONEY DEPOSITED INTO AN  
3 ELIGIBLE STUDENT'S ACCOUNT AND ANY INTEREST EARNED ON MONEY IN  
4 THE ACCOUNT DO NOT CONSTITUTE TAXABLE INCOME TO THE PARENT.

5 (c) ANY UNEXPENDED AMOUNT IN A STUDENT'S ACCOUNT AT THE  
6 END OF A SCHOOL YEAR REMAINS IN THE ACCOUNT, AND THE STUDENT'S  
7 PARENT MAY EXPEND IT IN THE NEXT SCHOOL YEAR; EXCEPT THAT THE  
8 ADMINISTERING ENTITY SHALL NOT ALLOW A PARENT TO EXPEND MORE  
9 THAN ONE THOUSAND DOLLARS FROM AN ACCOUNT IN A SINGLE SCHOOL  
10 YEAR, PLUS ANY INTEREST ACCRUED TO THE ACCOUNT.

11 (d) AT THE END OF THE SCHOOL YEAR IN WHICH AN ELIGIBLE  
12 STUDENT WHO HAS AN ACCOUNT SUCCESSFULLY COMPLETES THIRD  
13 GRADE, THE ADMINISTERING ENTITY SHALL CLOSE THE ELIGIBLE  
14 STUDENT'S ACCOUNT AND TRANSFER ANY MONEY REMAINING IN THE  
15 ELIGIBLE STUDENT'S ACCOUNT TO THE STATE TREASURER FOR DEPOSIT  
16 INTO THE FUND.

17 (8)(a) THE ADMINISTERING ENTITY SHALL DEVELOP A SYSTEM FOR  
18 PAYMENT OF SCHOLARSHIP MONEY BY MONEY TRANSFER, WHICH SYSTEM  
19 MAY INCLUDE DEBIT CARDS, ELECTRONIC PAYMENT CARDS, OR ANOTHER  
20 MEANS THAT THE ADMINISTERING ENTITY DEEMS TO BE COMMERCIALY  
21 VIABLE OR COST-EFFECTIVE. AN ELIGIBLE STUDENT'S SCHOLARSHIP  
22 AMOUNT MAY NOT BE REDUCED FOR DEBIT CARD OR ELECTRONIC  
23 PAYMENT FEES. IF THE ADMINISTERING ENTITY DOES NOT USE A SYSTEM  
24 OF PAYMENT THAT AUTOMATICALLY REPORTS TO THE ADMINISTERING  
25 ENTITY THE AMOUNT AND PURPOSE OF EXPENDITURES FROM EACH  
26 ACCOUNT, THE ADMINISTERING ENTITY SHALL REQUIRE EACH  
27 PARTICIPATING STUDENT'S PARENT TO SUBMIT RECEIPTS FOR ALL

1 EXPENDITURES FROM THE STUDENT'S ACCOUNT. THE ADMINISTERING  
2 ENTITY MUST VERIFY THAT ALL EXPENDITURES FROM ACCOUNTS ARE FOR  
3 LITERACY ENRICHMENT PRODUCTS OR SERVICES DESCRIBED IN  
4 SUBSECTION (8)(b) OF THIS SECTION.

5 (b) A STUDENT'S PARENT MAY EXPEND MONEY FROM THE  
6 STUDENT'S ACCOUNT FOR LITERACY ENRICHMENT PRODUCTS OR SERVICES,  
7 WHICH MAY INCLUDE:

8 (I) INSTRUCTIONAL MATERIALS;

9 (II) TUITION AND FEES FOR PART-TIME TUTORIAL SERVICES  
10 PROVIDED BY A PERSON WHO HOLDS A VALID EDUCATOR LICENSE ISSUED  
11 PURSUANT TO ARTICLE 60.5 OF THIS TITLE 22 OR A PERSON WHO HOLDS AT  
12 LEAST A BACCALAUREATE DEGREE IN LITERACY INSTRUCTION;

13 (III) FEES FOR PROGRAMS PROVIDED BY A LOCAL EDUCATION  
14 PROVIDER OR OTHER PUBLIC OR PRIVATE ENTITY, WHICH PROGRAMS ARE  
15 DESIGNED TO IMPROVE READING OR LITERACY SKILLS; AND

16 (IV) OTHER LITERACY ENRICHMENT PRODUCTS OR SERVICES  
17 IDENTIFIED BY THE STATE BOARD IN RULE, INCLUDING PRODUCTS OR  
18 SERVICES PROVIDED BY A LOCAL EDUCATION PROVIDER.

19 (c) THE PARENT OF AN ELIGIBLE STUDENT WHO RECEIVES A  
20 SCHOLARSHIP SHALL NOT:

21 (I) EXPEND ANY AMOUNT FROM THE ELIGIBLE STUDENT'S ACCOUNT  
22 FOR A PRODUCT OR SERVICE THAT IS NOT DESCRIBED IN SUBSECTION (8)(b)  
23 OF THIS SECTION; OR

24 (II) ACCEPT ANY PAYMENT, REFUND, OR REBATE, IN ANY MANNER  
25 OR FORM, FROM A PROVIDER'S PRODUCTS OR SERVICES.

26 (d) IF THE ADMINISTERING ENTITY HAS REASONABLE CAUSE TO  
27 SUSPECT THAT A PARENT HAS VIOLATED THE PROVISIONS OF SUBSECTION



1 (8)(c) OF THIS SECTION, THE ADMINISTERING ENTITY SHALL REFER THE  
2 MATTER TO THE DEPARTMENT FOR INVESTIGATION. BASED ON THE  
3 RESULTS OF THE INVESTIGATION, AND AFTER PROVIDING TO THE PARENT  
4 NOTICE AND AN OPPORTUNITY TO BE HEARD IN PERSON OR IN WRITING, IF  
5 THE STATE BOARD DETERMINES THAT:

6 (I) A PARENT HAS VIOLATED SUBSECTION (8)(c)(I) OF THIS  
7 SECTION FOR THE FIRST TIME, THE DEPARTMENT SHALL NOTIFY THE  
8 ADMINISTERING ENTITY, AND THE ADMINISTERING ENTITY SHALL REQUIRE  
9 THE PARENT TO REPAY THE AMOUNT EXPENDED FOR THE UNAUTHORIZED  
10 PURPOSE; OR

11 (II) A PARENT HAS VIOLATED SUBSECTION (8)(c)(I) OF THIS  
12 SECTION FOR A SECOND TIME OR HAS VIOLATED SUBSECTION (8)(c)(II) OF  
13 THIS SECTION, THE DEPARTMENT SHALL NOTIFY THE ADMINISTERING  
14 ENTITY, AND THE ADMINISTERING ENTITY SHALL IMMEDIATELY CLOSE THE  
15 ELIGIBLE STUDENT'S ACCOUNT AND REQUIRE THE PARENT TO REPAY ANY  
16 AMOUNT EXPENDED BY THE PARENT FROM THE ACCOUNT. THE  
17 ADMINISTERING ENTITY SHALL TRANSFER ANY REPAID AMOUNT AND ANY  
18 AMOUNT REMAINING IN THE ELIGIBLE STUDENT'S ACCOUNT TO THE STATE  
19 TREASURER FOR DEPOSIT INTO THE FUND.

20 (9) ON OR BEFORE JANUARY 1, 2022, AND ON OR BEFORE JANUARY  
21 1 EACH YEAR THEREAFTER, THE ADMINISTERING ENTITY SHALL SUBMIT TO  
22 THE DEPARTMENT AN ACCOUNTING FOR THE SCHOOL YEAR THAT ENDED  
23 ON THE PRECEDING JUNE 30 OF THE NUMBER OF ACTIVE ACCOUNTS, THE  
24 AMOUNT DISBURSED FROM THE ELIGIBLE STUDENTS' ACCOUNTS, AND THE  
25 LITERACY ENRICHMENT PRODUCTS AND SERVICES THAT THE PARENTS OF  
26 ELIGIBLE STUDENTS PURCHASED USING MONEY IN THE ELIGIBLE STUDENTS'  
27 ACCOUNTS.

1 (10) NO LATER THAN JANUARY 31, 2023, THE DEPARTMENT SHALL  
2 EVALUATE THE SUCCESS OF THE PROGRAM IN RAISING THE LEVEL OF  
3 LITERACY ATTAINED BY THE STUDENTS WHO RECEIVED SCHOLARSHIPS.  
4 THE DEPARTMENT SHALL SUBMIT THE EVALUATION TO THE STATE BOARD  
5 AND THE EDUCATION COMMITTEES OF THE HOUSE OF REPRESENTATIVES  
6 AND THE SENATE, OR ANY SUCCESSOR COMMITTEES.

7 (11) (a) THE LITERACY ENRICHMENT SCHOLARSHIP FUND IS  
8 HEREBY CREATED IN THE STATE TREASURY. THE FUND CONSISTS OF  
9 MONEY THAT THE GENERAL ASSEMBLY MAY APPROPRIATE OR TRANSFER  
10 TO THE FUND AND MONEY CREDITED TO THE FUND BY THE STATE  
11 TREASURER PURSUANT TO SUBSECTIONS (7)(d) AND (8)(d)(II) OF THIS  
12 SECTION.

13 (b) THE STATE TREASURER SHALL CREDIT ALL INTEREST AND  
14 INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE  
15 FUND TO THE FUND.

16 (c) SUBJECT TO ANNUAL APPROPRIATION BY THE GENERAL  
17 ASSEMBLY, THE DEPARTMENT MAY EXPEND MONEY FROM THE FUND FOR  
18 THE LITERACY ENRICHMENT SCHOLARSHIP PROGRAM AS DESCRIBED IN THIS  
19 SECTION. THE DEPARTMENT MAY EXPEND UP TO ONE PERCENT OF THE  
20 AMOUNT ANNUALLY APPROPRIATED FROM THE FUND FOR THE COSTS  
21 INCURRED IN IMPLEMENTING THE PROGRAM, INCLUDING THE COSTS  
22 INCURRED IN CONTRACTING WITH THE ADMINISTERING ENTITY.

23 (d) THE STATE TREASURER SHALL TRANSFER ALL UNEXPENDED  
24 AND UNENCUMBERED MONEY IN THE FUND ON JULY 1, 2025, TO THE  
25 GENERAL FUND.

26 (12) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2025.

27 **SECTION 2. Act subject to petition - effective date.** This act

1 takes effect at 12:01 a.m. on the day following the expiration of the  
2 ninety-day period after final adjournment of the general assembly (August  
3 2, 2019, if adjournment sine die is on May 3, 2019); except that, if a  
4 referendum petition is filed pursuant to section 1 (3) of article V of the  
5 state constitution against this act or an item, section, or part of this act  
6 within such period, then the act, item, section, or part will not take effect  
7 unless approved by the people at the general election to be held in  
8 November 2020 and, in such case, will take effect on the date of the  
9 official declaration of the vote thereon by the governor.