

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

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

LLS NO. 20-0536.01 Jacob Baus x2173

SENATE BILL 20-004

SENATE SPONSORSHIP

Fenberg,

HOUSE SPONSORSHIP

Herod and McCluskie,

Senate Committees

Finance
Appropriations

House Committees

A BILL FOR AN ACT

101 **CONCERNING CREATING A STUDENT LOAN REPAYMENT ASSISTANCE**
102 **PROGRAM FOR POSTSECONDARY EDUCATION.**

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 "Get on Your Feet Student Loan Repayment Assistance Program" to provide no more than 24 monthly payments on a qualified loan on behalf of a qualified recipient.

A qualified recipient is required to satisfy eligibility and program participation requirements.

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.

The department of higher education is required to administer the program pursuant to guidelines promulgated by the commission on higher education.

A person who received a program award but did not satisfy all eligibility and program participation requirements may be required to fully or partially reimburse the state.

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

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

4 (a) Student loan debt has reached a crisis point. Student loan debt
5 continues to rise in response to increasing tuition and other college costs,
6 with no reduction in sight.

7 (b) A current estimate states that more than forty-four million
8 individuals in the United States owe some amount of student loan debt,
9 totaling over one and one-half trillion dollars, surpassing both credit card
10 and car loan debt;

11 (c) A current estimate states that fifty-two percent of Colorado's
12 students graduate with student loan debt averaging over twenty-four
13 thousand dollars, and approximately seven hundred sixty-one thousand
14 people in Colorado owe some amount of student debt totaling over
15 twenty-seven billion dollars;

16 (d) Students and families of color are disproportionately impacted
17 by the rising cost of postsecondary education and the growing student
18 debt crisis, which widens the intergenerational gap between families of
19 color and white families. A current estimate states that young
20 professionals of black and Latino descent with bachelor's degrees earn on
21 average six thousand dollars less per year compared to white
22 professionals with bachelor's degrees.

1 (e) Student loan debt hinders Colorado's economy, and it prevents
2 borrowers from starting businesses, working in critical low-paying
3 careers, investing in Colorado's economy, purchasing property, achieving
4 financial independence, and starting families;

5 (f) A study found that the total percentage of people under thirty
6 years of age who own their own business has fallen sixty-five percent
7 since 1980, with many of these people indicating that their student loan
8 debt is the primary factor holding them back in their careers;

9 (g) Coloradans with student loan debt are less likely to own a
10 home, are more likely to pay a high interest rate on their mortgage if they
11 do own a home, and are less likely to be saving for retirement;

12 (h) Postsecondary education is a public good that benefits all of
13 Colorado;

14 (i) Postsecondary education and careers that require postsecondary
15 education are necessary for the public good and should be accessible to
16 all people, not just those with adequate personal financial means;

17 (j) As a part of reaching the state's sixty-six percent credential
18 attainment goal stated in the master plan for Colorado postsecondary
19 education and closing the equity gap in postsecondary education, it is
20 necessary to invest in postsecondary education and the students who
21 repay that investment back to Colorado; and

22 (k) The "Get on Your Feet Student Loan Repayment Assistance
23 Program" serves a significant public purpose by assisting student loan
24 debt borrowers in a cost-efficient and effective manner, allowing them to
25 transition into the workforce and their careers while investing in their
26 personal future and in Colorado's economic future by retaining a talented
27 workforce who can invest in Colorado's economy.

1 **SECTION 2.** In Colorado Revised Statutes, **add** article 3.4 to title
2 23 as follows:

3 **ARTICLE 3.4**

4 **Get on Your Feet**

5 **Student Loan Repayment Assistance Program**

6 **23-3.4-101. Definitions.** (1) AS USED IN THIS ARTICLE 3.4, UNLESS
7 THE CONTEXT OTHERWISE REQUIRES:

8 (a) "COMMISSION" HAS THE SAME MEANING SET FORTH IN SECTION
9 23-1-101.1 (1).

10 (b) "DEPARTMENT" MEANS THE DEPARTMENT OF HIGHER
11 EDUCATION CREATED AND EXISTING PURSUANT TO SECTION 24-1-114.

12 (c) "INSTITUTION OF HIGHER EDUCATION" MEANS A STATE
13 INSTITUTION OF HIGHER EDUCATION AS DEFINED IN SECTION 23-18-102
14 (10)(a) OR A LOCAL DISTRICT COLLEGE AS DEFINED IN SECTION 23-71-102
15 (1).

16 (d) "PROGRAM" MEANS THE "GET ON YOUR FEET STUDENT LOAN
17 REPAYMENT ASSISTANCE PROGRAM" CREATED PURSUANT TO SECTION
18 23-3.4-102.

19 (e) "QUALIFIED LOAN" MEANS A FEDERAL STUDENT LOAN
20 INCURRED PURSUANT TO EARNING AN ASSOCIATE OR BACHELOR'S DEGREE
21 FROM AN INSTITUTION OF HIGHER EDUCATION AND THAT IS REPAID
22 PURSUANT TO A FEDERAL INCOME-DRIVEN REPAYMENT PLAN.

23 (f) "QUALIFIED RECIPIENT" MEANS A PERSON WHO SATISFIES ALL
24 ELIGIBILITY AND PROGRAM PARTICIPATION REQUIREMENTS PURSUANT TO
25 THIS ARTICLE 3.4.

26 **23-3.4-102. Get on your feet student loan repayment assistance**
27 **program - creation.** THERE IS CREATED IN THE DEPARTMENT THE "GET

1 ON YOUR FEET STUDENT LOAN REPAYMENT ASSISTANCE PROGRAM" TO
2 PROVIDE NO MORE THAN TWENTY-FOUR MONTHLY PAYMENTS ON A
3 QUALIFIED LOAN ON BEHALF OF A QUALIFIED RECIPIENT.

4 **23-3.4-103. Program administration.** (1) IN ADDITION TO OTHER
5 REQUIREMENTS PURSUANT TO THIS ARTICLE 3.4, THE DEPARTMENT SHALL:

6 (a) ACCEPT AND REVIEW APPLICATIONS AND SUPPORTING
7 DOCUMENTS DEMONSTRATING ELIGIBILITY FROM PROGRAM APPLICANTS;

8 (b) NOTIFY QUALIFIED RECIPIENTS OF THEIR ELIGIBILITY AND
9 INELIGIBLE APPLICANTS OF THE REASON FOR THEIR INELIGIBILITY;

10 (c) MAKE MONTHLY PAYMENTS DIRECTLY TO THE FEDERAL LOAN
11 ADMINISTRATOR ON A QUALIFIED LOAN ON BEHALF OF A QUALIFIED
12 RECIPIENT; AND

13 (d) ANNUALLY VERIFY A QUALIFIED RECIPIENT'S ELIGIBILITY TO
14 PARTICIPATE IN THE PROGRAM.

15 (2) THE COMMISSION SHALL CREATE GUIDELINES CONCERNING THE
16 DEPARTMENT'S ADMINISTRATION OF THE PROGRAM.

17 **23-3.4-104. Program eligibility.** (1) IN ADDITION TO OTHER
18 ELIGIBILITY AND PROGRAM PARTICIPATION REQUIREMENTS PURSUANT TO
19 THIS ARTICLE 3.4, TO QUALIFY FOR THE PROGRAM A PERSON MUST:

20 (a) HAVE GRADUATED FROM A HIGH SCHOOL LOCATED IN
21 COLORADO, GRADUATED FROM AN ONLINE HIGH SCHOOL WHILE RESIDING
22 IN COLORADO, OR SUCCESSFULLY COMPLETED A HIGH SCHOOL
23 EQUIVALENCY EXAMINATION WHILE RESIDING IN COLORADO;

24 (b) EARN AN ASSOCIATE'S OR BACHELOR'S DEGREE FROM AN
25 INSTITUTION OF HIGHER EDUCATION ON OR AFTER JANUARY 25, 2021;

26 (c) SUBMIT A PROGRAM APPLICATION AND ANY REQUIRED
27 SUPPORTING DOCUMENTS DEMONSTRATING ELIGIBILITY TO THE

1 DEPARTMENT NO LATER THAN TWO YEARS FOLLOWING THE DATE THE
2 PERSON EARNED AN ASSOCIATE'S OR BACHELOR'S DEGREE FROM AN
3 INSTITUTION OF HIGHER EDUCATION;

4 (d) HAVE A QUALIFIED LOAN AND BE ENROLLED IN A FEDERAL
5 INCOME-DRIVEN REPAYMENT PLAN;

6 (e) BE A RESIDENT OF COLORADO AND HAVE RESIDED IN
7 COLORADO FOR NOT LESS THAN THE PREVIOUS TWELVE CONTINUOUS
8 MONTHS, UNLESS THE PERSON IS A MILITARY MEMBER ON ACTIVE DUTY
9 AND THE MILITARY MEMBER'S LEGAL RESIDENCE IS COLORADO;

10 (f) HAVE A PRIMARY WORK LOCATION IN COLORADO, UNLESS THE
11 PERSON IS A MILITARY MEMBER ON ACTIVE DUTY AND THE MILITARY
12 MEMBER'S LEGAL RESIDENCE IS COLORADO;

13 (g) NOT BE DELINQUENT OR IN DEFAULT ON A FEDERAL OR STATE
14 STUDENT LOAN PURSUANT TO THE LOAN'S TERMS; AND

15 (h) BE IN COMPLIANCE WITH ANY CONDITIONS IMPOSED BY A STATE
16 ACADEMIC SCHOLARSHIP, GRANT, OR FINANCIAL AID AWARD.

17 (2) TO QUALIFY FOR THE PROGRAM, A PERSON SHALL COMPLETE
18 AND SUBMIT ANY APPLICATION, INFORMATION, OR SUPPORTING
19 DOCUMENTS DEMONSTRATING ELIGIBILITY TO THE DEPARTMENT IN THE
20 TIME OR MANNER REQUIRED BY THE DEPARTMENT.

21 (3) THE DEPARTMENT SHALL TERMINATE OR SUSPEND A PERSON'S
22 PROGRAM AWARD IF THE PERSON:

23 (a) FAILS TO SATISFY ALL ELIGIBILITY AND PROGRAM
24 PARTICIPATION REQUIREMENTS WHILE RECEIVING A PROGRAM AWARD; OR

25 (b) FAILS TO COMPLETE AND SUBMIT ANY APPLICATION,
26 INFORMATION, OR SUPPORTING DOCUMENTS DEMONSTRATING ELIGIBILITY
27 TO THE DEPARTMENT IN THE TIME OR MANNER REQUIRED BY THE

1 DEPARTMENT.

2 (4) A PERSON RECEIVING A PROGRAM AWARD SHALL REPORT TO
3 THE DEPARTMENT A CHANGE OF ELIGIBILITY OR A CHANGE IN THE
4 QUALIFIED LOAN'S MONTHLY FEDERAL INCOME-DRIVEN REPAYMENT
5 AMOUNT.

6 (5) A PERSON IS NOT ELIGIBLE TO RECEIVE A PROGRAM AWARD IF
7 THE MONTHLY FEDERAL INCOME-DRIVEN REPAYMENT AMOUNT IS ZERO
8 DOLLARS OR IF THE PERSON IS NOT OTHERWISE REQUIRED TO MAKE A
9 PAYMENT BECAUSE THE QUALIFIED LOAN IS IN FORBEARANCE OR
10 DEFERMENT STATUS PURSUANT TO THE TERMS OF THE LOAN.

11 (6) A PERSON WHOSE PROGRAM AWARD WAS TERMINATED OR
12 SUSPENDED PURSUANT TO SUBSECTION (3) OF THIS SECTION MAY REAPPLY
13 FOR A PROGRAM AWARD. TO QUALIFY FOR THE PROGRAM UPON
14 REAPPLICATION, A PERSON MUST SATISFY ELIGIBILITY AND PROGRAM
15 PARTICIPATION REQUIREMENTS PURSUANT TO THIS ARTICLE 3.4,
16 INCLUDING MAKING THE REAPPLICATION WITHIN TWO YEARS AFTER
17 EARNING THE DEGREE, AND, IF NECESSARY, REIMBURSE THE STATE
18 PURSUANT TO SECTION 23-3.4-106.

19 **23-3.4-105. Award amount and duration.** (1) A QUALIFIED
20 RECIPIENT IS ELIGIBLE FOR A PROGRAM AWARD EQUAL TO ONE HUNDRED
21 PERCENT OF THE QUALIFIED LOAN'S MONTHLY FEDERAL INCOME-DRIVEN
22 REPAYMENT AMOUNT.

23 (2) THE DEPARTMENT SHALL MAKE NO MORE THAN TWENTY-FOUR
24 MONTHLY PAYMENTS DIRECTLY TO THE FEDERAL LOAN ADMINISTRATOR
25 ON A QUALIFIED LOAN ON BEHALF OF A QUALIFIED RECIPIENT.

26 (3) (a) THE DEPARTMENT SHALL MAKE ELIGIBLE PAYMENTS IN
27 CONSECUTIVE MONTHS, STARTING ON THE DATE THE DEPARTMENT MAKES

1 THE FIRST PAYMENT TO THE FEDERAL LOAN ADMINISTRATOR ON A
2 QUALIFIED LOAN ON BEHALF OF A QUALIFIED RECIPIENT.

3 (b) NOTWITHSTANDING SUBSECTION (3)(a) OF THIS SECTION, FOR
4 A PERSON WHOSE PROGRAM AWARD WAS TERMINATED OR SUSPENDED AND
5 WHO QUALIFIES FOR THE PROGRAM UPON REAPPLICATION PURSUANT TO
6 SECTION 23-3.4-104 (6), THE DEPARTMENT SHALL CONSIDER THE
7 PAYMENTS ALREADY MADE DIRECTLY TO THE FEDERAL LOAN
8 ADMINISTRATOR ON A QUALIFIED LOAN ON BEHALF OF THE QUALIFIED
9 RECIPIENT AND MAKE NO MORE THAN THE REMAINING NUMBER OF
10 PAYMENTS OF THE TOTAL TWENTY-FOUR MONTHLY PAYMENTS.

11 **23-3.4-106. Reimbursement.** (1) THE DEPARTMENT MAY, AT ITS
12 DISCRETION, REQUIRE A PERSON TO FULLY OR PARTIALLY REIMBURSE A
13 PAYMENT TO THE STATE IF THE STATE PAID A PROGRAM AWARD TO THE
14 FEDERAL LOAN ADMINISTRATOR ON A QUALIFIED LOAN ON BEHALF OF THE
15 PERSON FOR ANY MONTH WHILE THE PERSON DID NOT SATISFY ALL
16 ELIGIBILITY AND PROGRAM PARTICIPATION REQUIREMENTS. THE
17 COMMISSION SHALL CREATE GUIDELINES CONCERNING THE PARAMETERS
18 THE DEPARTMENT SHALL CONSIDER WHEN DETERMINING WHETHER TO
19 REQUIRE A PERSON TO FULLY OR PARTIALLY REIMBURSE A PAYMENT TO
20 THE STATE PURSUANT TO THIS SUBSECTION (1).

21 (2) IF THE DEPARTMENT DETERMINES THAT A PERSON MUST
22 REIMBURSE THE STATE PURSUANT TO SUBSECTION (1) OF THIS SECTION,
23 THE DEPARTMENT SHALL NOTIFY THE CONTROLLER, WHO SHALL INSTITUTE
24 COLLECTION PROCEEDINGS PURSUANT TO SECTION 24-30-202.4, TO
25 RECOVER COSTS OR FEES.

26 (3) FOR A PERSON WHOSE PROGRAM AWARD WAS TERMINATED OR
27 SUSPENDED AND WHO QUALIFIES FOR THE PROGRAM UPON REAPPLICATION

1 PURSUANT TO SECTION 23-3.4-104 (6), THE DEPARTMENT SHALL NOT
2 MAKE ANY SUBSEQUENT PAYMENTS TO THE FEDERAL LOAN
3 ADMINISTRATOR UNTIL THE PERSON HAS REIMBURSED THE STATE FOR ANY
4 PAYMENT AS REQUIRED PURSUANT TO THIS SECTION, IF REQUIRED.

5 (4) NOTWITHSTANDING SUBSECTIONS (1) TO (3) OF THIS SECTION,
6 IF A RECIPIENT HAS DEMONSTRATED EXTREME HARDSHIP AS A RESULT OF
7 A DISABILITY OR OTHER SIMILAR CIRCUMSTANCES, PRIOR TO NOTIFYING
8 THE CONTROLLER PURSUANT TO SUBSECTION (2) OF THIS SECTION, THE
9 DEPARTMENT MAY, IN ITS DISCRETION, WAIVE OR DEFER REIMBURSEMENT,
10 EXTEND THE REIMBURSEMENT PERIOD, OR TAKE OTHER ACTION IT DEEMS
11 APPROPRIATE. THE COMMISSION SHALL CREATE GUIDELINES CONCERNING
12 THE PARAMETERS THE DEPARTMENT SHALL CONSIDER WHEN DETERMINING
13 WHETHER TO WAIVE OR DEFER REIMBURSEMENT, EXTEND THE
14 REIMBURSEMENT PERIOD, OR TAKE OTHER ACTION IT DEEMS APPROPRIATE
15 PURSUANT TO THIS SUBSECTION (4).

16 **SECTION 3. Act subject to petition - effective date.** This act
17 takes effect at 12:01 a.m. on the day following the expiration of the
18 ninety-day period after final adjournment of the general assembly (August
19 5, 2020, if adjournment sine die is on May 6, 2020); except that, if a
20 referendum petition is filed pursuant to section 1 (3) of article V of the
21 state constitution against this act or an item, section, or part of this act
22 within such period, then the act, item, section, or part will not take effect
23 unless approved by the people at the general election to be held in
24 November 2020 and, in such case, will take effect on the date of the
25 official declaration of the vote thereon by the governor.