

An Act

SENATE BILL 24-226

BY SENATOR(S) Fenberg and Marchman, Bridges, Buckner, Cutter, Exum, Jaquez Lewis, Michaelson Jenet, Priola;
also REPRESENTATIVE(S) Herod and Brown, Amabile, Bacon, Bird, Daugherty, Duran, English, Garcia, Hamrick, Hernandez, Jodeh, Lieder, Lindsay, Mabrey, McLachlan, Ortiz, Ricks, Sirota, Snyder, Story, Titone, Valdez, Velasco, Weissman, Willford, McCluskie.

CONCERNING MODIFICATIONS TO THE COLLEGE KICKSTARTER ACCOUNT PROGRAM.

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

SECTION 1. In Colorado Revised Statutes, 23-3.1-306.5, **amend** (1)(a)(V), (1)(b) introductory portion, (2)(a), (2)(d), (3), (4)(a), (4)(b), (4)(c) introductory portion, (4)(c)(I), (4)(c)(II), (5), (6) introductory portion, (6)(a), (6)(b)(II), (6)(b)(IV), (6)(b)(V), (7), and (8)(c); **repeal** (6)(b)(III) and (6)(b)(VI); and **add** (2)(a.5), (2)(a.7), (2)(b.5), (2)(c.5), (6)(b)(VII), (6)(c), and (6)(d) as follows:

23-3.1-306.5. College kickstarter account program - funding - administration - financial literacy course - rules - legislative declaration - definitions. (1) (a) The general assembly hereby finds and declares that:

Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.

(V) Providing seed money for each child born in OR ADOPTED INTO Colorado as an incentive to enroll in a college savings account helps make saving for college part of the collective culture of Colorado by opening the door for economic opportunity for all children and their families, better positions the state as a pioneer in building family financial capability, and promotes the development of a stronger, more qualified Colorado workforce.

(b) The general assembly further finds and declares that establishing the college kickstarter account program, which provides both an initial contribution of money for every child born in OR ADOPTED INTO Colorado that may be claimed and transferred to a college savings account and subsequently supplemented by ~~parental and family~~ OTHER contributions and a potential opportunity for financial literacy education free of charge:

(2) As used in this section, unless the context otherwise requires:

(a) ~~"Eligible child" means a child born or adopted in Colorado on or after January 1, 2020, but before January 1, 2040.~~ "ACCOUNT SPONSOR" MEANS, BEFORE JANUARY 1, 2025, A PARENT OR PARENTS AND ON OR AFTER JANUARY 1, 2025, A PARENT OR PARENTS OR ANY OTHER INDIVIDUAL WHO PROVIDES THE BIRTH CERTIFICATE NUMBER OR ORDER OF ADOPTION FOR AN ELIGIBLE CHILD IN ACCORDANCE WITH THE REQUIREMENTS OF THIS SECTION.

(a.5) "BASE AMOUNT" MEANS:

(I) ONE HUNDRED DOLLARS BEFORE JANUARY 1, 2021; OR

(II) ONE HUNDRED DOLLARS, ANNUALLY ADJUSTED FOR INFLATION, FOR EACH YEAR BEGINNING ON OR AFTER JANUARY 1, 2021.

(a.7) "ELIGIBLE CHILD" MEANS A CHILD BORN OR ADOPTED IN COLORADO ON OR AFTER JANUARY 1, 2020, BUT BEFORE JANUARY 1, 2040.

(b.5) "INDIVIDUAL COLLEGE SAVINGS ACCOUNT" MEANS ANY COLLEGEINVEST ACCOUNT.

(c.5) "INTEREST ACCRUAL AMOUNT" MEANS THE AMOUNT OF INTEREST THAT HAS ACCRUED FROM THE BASE AMOUNT IN THE YEAR THE

ELIGIBLE CHILD WAS BORN TO THE YEAR THAT THE ACCOUNT SPONSOR CLAIMS KICKSTARTER FUNDING.

(d) "Kickstarter funding" means an amount in the master account designated for each eligible child by the authority THAT IS EQUAL TO THE BASE AMOUNT IN THE CLAIM YEAR PLUS, IF APPLICABLE, THE INTEREST ACCRUAL AMOUNT, which ~~the parent or parents of~~ AN ACCOUNT SPONSOR FOR the eligible child can claim on behalf of the eligible child, LIMITED TO ONE CLAIM PER BIRTH CERTIFICATE NUMBER OR ORDER OF ADOPTION PER CHILD, AS APPLICABLE, by opening an INDIVIDUAL COLLEGE SAVINGS account for the eligible child. ~~as follows:~~

(I) ~~One hundred dollars for each eligible child born before January 1, 2021, or~~

(II) ~~One hundred dollars, annually adjusted for inflation for each year beginning on or after January 1, 2021, for each eligible child born on or after January 1, 2021.~~

(3) (a) Except as otherwise provided in subsection (5) of this section, the authority shall oversee and administer the college kickstarter account program, which is created within the authority. The department shall create an advisory board, ~~FACILITATED BY THE AUTHORITY, which shall include, at a minimum, the state treasurer or the state treasurer's designee and both an employee of the department who is not an employee of the authority and an employee of the authority~~ IN ACCORDANCE WITH SUBSECTION (3)(b) OF THIS SECTION, WHICH IS A SUBCOMMITTEE OF THE BOARD OF DIRECTORS OF THE AUTHORITY, to advise the authority regarding the oversight and administration of the kickstarter program. The advisory board is subject to the open meetings provisions of the Colorado sunshine law contained in part 4 of article 6 of title 24 and the "Colorado Open Records Act", article 72 of title 24.

(b) (I) MEMBERS OF THE ADVISORY BOARD MUST INCLUDE:

(A) THE STATE TREASURER OR THE STATE TREASURER'S DESIGNEE;

(B) THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF HIGHER EDUCATION OR THE EXECUTIVE DIRECTOR'S DESIGNEE;

(C) THE CHAIR OR THE VICE-CHAIR OF THE BOARD OF DIRECTORS OF THE AUTHORITY;

(D) THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF EARLY CHILDHOOD OR THE EXECUTIVE DIRECTOR'S DESIGNEE;

(E) THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF EDUCATION OR THE EXECUTIVE DIRECTOR'S DESIGNEE;

(F) A REPRESENTATIVE FROM THE OFFICE OF CHILDREN, YOUTH, AND FAMILIES IN THE DIVISION OF CHILD WELFARE IN THE DEPARTMENT OF HUMAN SERVICES;

(G) A MARKETING EXPERT FROM OUTSIDE THE AUTHORITY;

(H) A CUSTOMER EXPERIENCE DESIGN EXPERT FROM OUTSIDE THE AUTHORITY; AND

(I) AN EMPLOYEE OF THE AUTHORITY WITH CONTENT KNOWLEDGE OF THE KICKSTARTER PROGRAM.

(II) ANY MEMBER OF THE BOARD OF DIRECTORS OF THE AUTHORITY MAY SERVE ON THE ADVISORY BOARD.

(c) THE ADVISORY BOARD MUST MEET AT LEAST QUARTERLY EACH YEAR.

(4) (a) The authority shall create a kickstarter program master account. By increasing available revenue, without reducing existing levels of scholarship or matching grant funding, the authority shall annually deposit to the master account for state fiscal year 2019-20 and for each succeeding state fiscal year thereafter through state fiscal year 2044-45 the amount needed to ensure that there is sufficient money in the master account to make all transfers of kickstarter funding from the master account to INDIVIDUAL COLLEGE SAVINGS accounts that name an eligible child as the beneficiary required by subsection (4)(b) of this section during the state fiscal year for which the transfer is made. Notwithstanding any other law, the amounts to be transferred shall be taken from money of the authority that is available for use by the authority for the Colorado collegeinvest scholarship program created in section 23-3.1-206.9 (1) or for the

authority's matching grant program.

(b) The authority shall designate kickstarter funding in the master account for each eligible child upon receiving notice of the birth or adoption of the eligible child from the office of the state registrar of vital statistics in the department of public health and environment, created in section 25-2-103 (1), as required by section 25-2-112 (8). The authority shall initially invest the kickstarter funding in its stable value plus plan or any successor plan that has a similar investment strategy. AN ACCOUNT SPONSOR SHALL IDENTIFY AN INDIVIDUAL COLLEGE SAVINGS ACCOUNT THAT NAMES THE ELIGIBLE CHILD AS THE BENEFICIARY WHEN CLAIMING KICKSTARTER FUNDING FOR THE ELIGIBLE CHILD. THE ACCOUNT SPONSOR MAY OPEN AN INDIVIDUAL COLLEGE SAVINGS ACCOUNT WITHOUT MAKING ANY ADDITIONAL CONTRIBUTION BEYOND KICKSTARTER FUNDING. ~~If the parent or parents of an eligible child open an account, which they may do without making any additional contribution, that names the child as the beneficiary~~ AN ACCOUNT SPONSOR MAY CLAIM KICKSTARTER FUNDING FOR AN ELIGIBLE CHILD within ~~five~~ EIGHT years of the date of the eligible child's birth or adoption, AT WHICH TIME the authority shall transfer the kickstarter funding designated for the eligible child ~~and any associated interest~~ from the master account to the eligible child's INDIVIDUAL COLLEGE SAVINGS account. ~~If the parent or parents of AN ACCOUNT SPONSOR FOR an eligible child do~~ DOES not open an INDIVIDUAL COLLEGE SAVINGS account that names the eligible child as a beneficiary AND CLAIMS KICKSTARTER FUNDING within ~~five~~ EIGHT years of the eligible child's birth or adoption, any money in the master account that was designated for the eligible child remains in the master account and may be designated for another eligible child. Kickstarter funding and any associated interest, whether it is designated for an eligible child in the master account or in an INDIVIDUAL COLLEGE SAVINGS account that names an eligible child as the beneficiary, is excluded from the income of the eligible child and ~~the parent or parents of~~ AN ACCOUNT SPONSOR FOR the eligible child for purposes of determining eligibility or benefits amounts for any state-funded program.

(c) The authority, in consultation with the advisory board created in subsection (3) of this section, shall develop and, no later than ~~November 1, 2019;~~ NOVEMBER 1, 2024, obtain the approval of the department to implement, directly or through a contractor, a comprehensive and robust marketing and outreach plan to make the parent or parents of each eligible child aware of the kickstarter program and encourage them to claim the

kickstarter funding designated for their eligible child by enrolling in an INDIVIDUAL COLLEGE SAVINGS account. The marketing and outreach plan shall include multiple strategies, including grants to appropriate community-based nonprofit organizations, to specifically target low- and middle-income families who may be less likely than wealthier families to already be aware of the authority and the availability of accounts. Upon making initial contact with ~~the parent or parents~~ of AN ACCOUNT SPONSOR FOR an eligible child, the authority or its contractor shall:

(I) Educate the ~~parent or parents~~ ACCOUNT SPONSOR as to how to claim the designated kickstarter funding for ~~their~~ AN eligible child by enrolling in an INDIVIDUAL COLLEGE SAVINGS account, make future contributions to the account, choose from available fund options for the investment of the INDIVIDUAL COLLEGE SAVINGS account, and contact the authority regarding questions concerning the INDIVIDUAL COLLEGE SAVINGS account;

(II) Advise the ~~parent or parents~~ ACCOUNT SPONSOR of the opportunity to take any financial literacy education program provided by the state treasurer as authorized in subsection (5) of this section; and

(5) If, in the sole discretion of the state treasurer, adequate gifts, grants, and donations are received, the kickstarter program may include a free program for financial literacy education for eligible children and ~~their parent or parents~~ AN ACCOUNT SPONSOR and other family members OF THE ELIGIBLE CHILD. The state treasurer shall develop and administer any program for financial literacy education included in the kickstarter program.

(6) The authority shall conduct an ongoing summative evaluation to collect summative data to evaluate the kickstarter program's effectiveness over time. The authority shall prepare, present DURING THE DEPARTMENT'S "SMART ACT" HEARING IN ACCORDANCE WITH SECTION 2-7-203 to the committees of reference of the general assembly to which the department is assigned, ~~pursuant to section 2-7-203(1)~~; and conspicuously post on its website an annual written report on the results of the ongoing summative evaluation, which report shall include, at a minimum:

(a) A descriptive and evaluative summary of the marketing and outreach plan for the kickstarter program developed and implemented as required by subsection (4)(c) of this section, including a description of the

strategies used and an assessment of the successes and failures of the plan generally and of the individual strategies used; and

(b) Statistical summaries of the usage of the kickstarter program both for the past calendar year and for the life of the program that include:

(II) ~~The number of eligible children, and the percentage of all eligible children, for whom the parent or parents~~ AN ACCOUNT SPONSOR claimed kickstarter funding; ~~by opening accounts~~

(III) ~~The number of families who had not opened an account for any of their children before January 1, 2020, who opened an account for an eligible child or for any of their other children on or after January 1, 2020, and the total number of accounts opened by such families;~~

(IV) ~~To the extent that such information is available, The number of accounts opened~~ CLAIMS FOR KICKSTARTER FUNDING for ~~both~~ eligible children ~~and other children~~ by ~~low-income, middle-income, and high-income families~~ AN ACCOUNT SPONSOR CATEGORIZED BY INCOME LEVELS;

(V) The number of ~~accounts opened for both~~ ACCOUNT SPONSORS CLAIMING KICKSTARTER FUNDING FOR AN eligible ~~children and other children~~; CHILD, and the percentage of all ~~accounts opened for both~~ eligible children ~~and for other children~~ FOR WHOM NO CLAIM FOR KICKSTARTER FUNDING HAS BEEN MADE, in each county; and

(VI) ~~The number and percentage of all families claiming kickstarter funding for an eligible child; by opening an account:~~

~~(A) Who did not make additional contributions to the account; and~~

~~(B) Who did, or for whom others did, make additional contributions to the account.~~

(VII) THE AGE OF ELIGIBLE CHILDREN WHEN THE ACCOUNT SPONSOR CLAIMS KICKSTARTER FUNDING;

(c) A SUMMARY OF GRANTS DISTRIBUTED TO APPROPRIATE COMMUNITY-BASED NONPROFIT ORGANIZATIONS PURSUANT TO SUBSECTION

(4)(c) OF THIS SECTION AND A LIST OF THE GRANTEES; AND

(d) PROJECTIONS OF THE SOLVENCY OF KICKSTARTER FUNDING IN THE MASTER ACCOUNT, BASED ON FACTORS INCLUDING THE ACCRUED INTEREST IN THE MASTER ACCOUNT.

(7) The kickstarter program is intended to be a public-private partnership, with the authority designating kickstarter funding for each eligible child within the master account and transferring the kickstarter funding into an individual college savings account for each eligible child when ~~the parent or parents of~~ AN ACCOUNT SPONSOR FOR the eligible child ~~claim~~ CLAIMS the kickstarter funding by opening the INDIVIDUAL COLLEGE SAVINGS account and the state treasurer working with a private partner to develop a free program of financial literacy education for eligible children and ~~their parent or parents~~ AN ACCOUNT SPONSOR and other family members OF THE ELIGIBLE CHILD. The state treasurer may seek to enter into agreements with private foundations or other entities to fund, develop, and implement the financial literacy education program component of the kickstarter program, and the authority may seek to enter into agreements with such private foundations or other entities to provide additional funding for the kickstarter program.

(8) (c) The authority may expend money from the fund for any kickstarter program purpose, and the state treasurer may expend money from the fund for the purpose of developing and implementing a free program of financial literacy education for eligible children and ~~their parent or parents~~ AN ACCOUNT SPONSOR and other family members OF THE ELIGIBLE CHILD as authorized in subsection (5) of this section.

SECTION 2. In Colorado Revised Statutes, 25-2-112, **amend** (8) as follows:

25-2-112. Certificates of birth - filing - establishment of parentage - notice to collegeinvest. (8) On or before February 15, 2020, and on or before the fifteenth day of each month thereafter, the state registrar shall provide to the director of collegeinvest the name of each eligible child, as defined in ~~section 23-3.1-306.5 (2)(a)~~ SECTION 23.3-1-306.5 (2)(a.7), born or adopted during the prior calendar month, the date and location of the birth or adoption, and the name and mailing address of the parent or parents, as defined in section 23-3.1-306.5 (2)(g), of the

eligible child listed on the eligible child's certificate of birth or the report of adoption forwarded to the state registrar as required by section 25-2-107 (1).

SECTION 3. Effective date. This act takes effect upon passage; except that section 23-3.1-306.5 (2)(a.5), (2)(c.5), and (2)(d), Colorado Revised Statutes, as enacted in section 1 of this act, takes effect January 1, 2025.

SECTION 4. Safety clause. The general assembly finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, or safety or for appropriations for

the support and maintenance of the departments of the state and state institutions.

Steve Fenberg
PRESIDENT OF
THE SENATE

Julie McCluskie
SPEAKER OF THE HOUSE
OF REPRESENTATIVES

Cindi L. Markwell
SECRETARY OF
THE SENATE

Robin Jones
CHIEF CLERK OF THE HOUSE
OF REPRESENTATIVES

APPROVED _____

(Date and Time)

Jared S. Polis
GOVERNOR OF THE STATE OF COLORADO