

**Second Regular Session  
Sixty-ninth General Assembly  
STATE OF COLORADO**

**PREAMENDED**

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

LLS NO. 14-0314.02 Richard Sweetman x4333

**HOUSE BILL 14-1384**

---

**HOUSE SPONSORSHIP**

**Pettersen and McNulty**, Buckner, Garcia, Melton, Moreno, Ryden, Singer, Vigil

**SENATE SPONSORSHIP**

**Ulibarri and Crowder**,

---

**House Committees**

Education  
Appropriations

**Senate Committees**

---

**A BILL FOR AN ACT**

101     **CONCERNING RIGOR-BASED TUITION ASSISTANCE FOR STUDENTS AT**  
102     **POSTSECONDARY INSTITUTIONS.**

---

**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 Colorado opportunity scholarship initiative (initiative) within the department of higher education (department) to:

- !     Award scholarships or grants based upon a rigor-based method to students who are classified as Colorado residents for tuition purposes; and

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.*

- ! Develop the connections and community partnerships necessary to ensure that every Colorado student has the support needed to enter a postsecondary opportunity, persist and succeed, and enter his or her desired position in the workforce.

The bill creates the Colorado opportunity pipeline scholarship initiative advisory board (board) and requires the board to promulgate rules for administration of the initiative, including but not limited to the following:

- ! Criteria for eligibility of state agencies, nonprofit organizations, and public institutions of higher education to participate in the initiative;
- ! Criteria for eligibility of students to apply for and receive grants from the initiative;
- ! Rules establishing permissible uses of grant moneys from the initiative; and
- ! Criteria for evaluating the effectiveness of the initiative in improving higher education outcomes in the state.

The director of the initiative shall administer the initiative in accordance with rules promulgated by the board.

The bill creates the Colorado opportunity pipeline scholarship initiative fund (fund), which consists of:

- ! Any moneys appropriated to the fund by the general assembly;
- ! Any moneys transferred to the fund from any other fund; and
- ! Any moneys received by the department as gifts, grants, or donations.

The department is authorized to spend not more than 3% of the moneys annually appropriated to the fund to pay the direct and indirect costs of administering the initiative. The board may promulgate rules for the administration of the fund. For the 2015-2016 fiscal year, the general assembly shall appropriate \$30 million to the fund.

The members of the state workforce development council (state council) shall serve as members of the board. The state council shall identify staff members within the department of education, the department of higher education, and the department of labor and employment who shall assist the state council in fulfilling its duties as members of the board.

The financial need scholarship fund in the department is repealed, and any moneys remaining in the financial need scholarship fund are transferred to the fund.

---

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

1           **SECTION 1.** In Colorado Revised Statutes, **add** part 10 to article  
2    3.3 of title 23 as follows:

3   PART 10  
4   COLORADO OPPORTUNITY ■  
5   SCHOLARSHIP INITIATIVE

6           **23-3.3-1001. Legislative declaration.** (1) THE GENERAL  
7    ASSEMBLY HEREBY DECLARES THAT THE COLORADO OPPORTUNITY ■  
8    SCHOLARSHIP INITIATIVE CREATED IN THIS PART 10 IS INTENDED TO:

9           (a) AWARD SCHOLARSHIPS OR GRANTS BASED UPON A  
10   RIGOR-BASED METHOD THAT EMPHASIZES STUDENT COMMITMENT TO  
11   ACADEMIC ACHIEVEMENT AND SUCCESSFUL PLACEMENT IN THE  
12   WORKFORCE AND ENSURING THAT PARTICIPATING STUDENTS AND  
13   INSTITUTIONS BE HELD ACCOUNTABLE THROUGH MEASURABLE OUTCOMES;  
14   AND

15          (b) DEVELOP THE CONNECTIONS AND COMMUNITY PARTNERSHIPS  
16   NECESSARY TO ENSURE THAT EVERY COLORADO STUDENT HAS THE  
17   SUPPORT NEEDED TO ENTER A POSTSECONDARY OPPORTUNITY, PERSIST  
18   AND SUCCEED, AND ENTER HIS OR HER DESIRED POSITION IN THE  
19   WORKFORCE.

20          (2) IT IS THE INTENT OF THE GENERAL ASSEMBLY TO MATCH  
21   NON-PROFIT AND PRIVATE FINANCIAL CONTRIBUTIONS TO THE COLORADO  
22   OPPORTUNITY SCHOLARSHIP INITIATIVE WITH ANNUAL CONTRIBUTIONS  
23   FROM THE GENERAL FUND SO THAT A SUSTAINABLE CORPUS IS CREATED TO  
24   FUND SCHOLARSHIP AWARDS IN FUTURE YEARS. WHENEVER PRACTICABLE,  
25   THE ANNUAL MATCH SHOULD BE IN AN AMOUNT THAT IS SIGNIFICANT  
26   ENOUGH TO ATTRACT CONTINUED INVESTMENT BY COMMUNITY PARTNERS.

27          **23-3.3-1002. Definitions.** AS USED IN THIS PART 10, UNLESS THE

1 CONTEXT OTHERWISE REQUIRES:

2 (1) "BOARD" MEANS THE COLORADO OPPORTUNITY [REDACTED]  
3 SCHOLARSHIP INITIATIVE ADVISORY BOARD CREATED IN SECTION  
4 23-3.3-1004.

5 (2) "DEPARTMENT" MEANS THE DEPARTMENT OF HIGHER  
6 EDUCATION CREATED PURSUANT TO SECTION 24-1-114, C.R.S.

7 (3) "DIRECTOR" MEANS THE DIRECTOR OF THE INITIATIVE.

8 (4) "EXECUTIVE DIRECTOR" MEANS THE EXECUTIVE DIRECTOR OF  
9 THE COLORADO COMMISSION ON HIGHER EDUCATION.

10 (5) "FUND" MEANS THE COLORADO OPPORTUNITY [REDACTED] SCHOLARSHIP  
11 INITIATIVE FUND CREATED IN SECTION 23-3.3-1005.

12 (6) "INITIATIVE" MEANS THE COLORADO OPPORTUNITY [REDACTED]  
13 SCHOLARSHIP INITIATIVE CREATED IN SECTION 23-3.3-1003.

14 (7) "NONPROFIT ORGANIZATION" MEANS A TAX-EXEMPT  
15 CHARITABLE OR SOCIAL WELFARE ORGANIZATION OPERATING UNDER  
16 SECTION 501 (c) (3) OR 501 (c) (4) OF TITLE 26 OF THE UNITED STATES  
17 CODE, THE FEDERAL "INTERNAL REVENUE CODE OF 1986", AS AMENDED.

18 (8) "PRECOLLEGIATE ORGANIZATION" MEANS A STATE- OR  
19 FEDERALLY FUNDED PROGRAM OFFERING POSTSECONDARY  
20 WORKFORCE-READY OPTIONS TO COLORADO STUDENTS.

21 (9) "TUITION ASSISTANCE" MEANS FINANCIAL ASSISTANCE TO AN  
22 ELIGIBLE STUDENT OF AN ELIGIBLE INSTITUTION, INCLUDING SUCH  
23 FINANCIAL ASSISTANCE AS IS NECESSARY TO PAY THE COSTS OF TUITION,  
24 FEES, BOOKS, HOUSING, FOOD, AND TRANSPORTATION.

25 **23-3.3-1003. Colorado opportunity [REDACTED] scholarship initiative**  
26 **- created - report.** (1) THERE IS CREATED THE COLORADO OPPORTUNITY  
27 [REDACTED] SCHOLARSHIP INITIATIVE WITHIN THE DEPARTMENT. THE EXECUTIVE

1 DIRECTOR OR HIS OR HER DESIGNEE SHALL APPOINT THE DIRECTOR OF THE  
2 INITIATIVE FROM EXISTING PERSONNEL WHO SHALL ADMINISTER THE  
3 INITIATIVE IN ACCORDANCE WITH RULES PROMULGATED BY THE BOARD  
4 PURSUANT TO SECTION 23-3.3-1004 (4).

5 (2) ON OR BEFORE JUNE 30, 2015, THE DIRECTOR OF THE  
6 INITIATIVE SHALL REPORT TO THE EDUCATION COMMITTEES OF THE HOUSE  
7 OF REPRESENTATIVES AND SENATE, OR TO ANY SUCCESSOR COMMITTEES,  
8 CONCERNING THE RECOMMENDATIONS PREPARED BY THE BOARD  
9 PURSUANT TO SECTION 23-3.3-1004 (4) (c).

10 **23-3.3-1004. Colorado opportunity scholarship initiative**

11 **advisory board - created - duties - rules.** (1) THERE IS CREATED THE  
12 COLORADO OPPORTUNITY SCHOLARSHIP INITIATIVE ADVISORY BOARD,  
13 WHICH SHALL CONSIST OF THE MEMBERS OF THE STATE WORK FORCE  
14 DEVELOPMENT COUNCIL CREATED IN SECTION 24-46.3-101, C.R.S., AS  
15 WELL AS THE FOLLOWING THREE PERSONS, TO BE APPOINTED BY THE  
16 GOVERNOR OR HIS OR HER DESIGNEE:

17 (a) ONE PERSON REPRESENTING THE FOUR-YEAR RESEARCH  
18 INSTITUTIONS OF HIGHER EDUCATION IN THE STATE;

19 (b) ONE PERSON REPRESENTING THE SYSTEM OF FOUR-YEAR  
20 POSTSECONDARY INSTITUTIONS IN THE STATE; AND

21 (c) ONE PERSON REPRESENTING THE COMMUNITY COLLEGES AND  
22 AREA VOCATIONAL DISTRICTS OF THE STATE.

23 (2) THE GOVERNOR OR HIS OR HER DESIGNEE SHALL MAKE HIS OR  
24 HER APPOINTMENTS TO THE BOARD ON OR BEFORE AUGUST 1, 2014. THE  
25 MEMBERS OF THE BOARD SHALL ELECT PRESIDING OFFICERS FOR THE  
26 BOARD, INCLUDING A CHAIR AND VICE-CHAIR, FROM AMONG THE BOARD  
27 MEMBERS APPOINTED PURSUANT TO SUBSECTION (1) OF THIS SECTION,

1 WHICH PRESIDING OFFICERS SHALL SERVE TERMS OF TWO YEARS. BOARD  
2 MEMBERS MAY REELECT A PRESIDING OFFICER.

3 (3) EACH MEMBER OF THE BOARD APPOINTED BY THE GOVERNOR  
4 OR HIS OR HER DESIGNEE SHALL SERVE AT THE PLEASURE OF THE  
5 GOVERNOR OR HIS OR HER DESIGNEE FOR A TERM OF FOUR YEARS. THE  
6 GOVERNOR OR HIS OR HER DESIGNEE MAY REAPPOINT THE MEMBER FOR AN  
7 ADDITIONAL TERM OR TERMS. MEMBERS OF THE BOARD SHALL SERVE  
8 WITHOUT COMPENSATION.

9 (4) THE BOARD SHALL HOLD ITS FIRST MEETING ON OR BEFORE  
10 NOVEMBER 1, 2014, AT A TIME AND PLACE TO BE DESIGNATED BY THE  
11 EXECUTIVE DIRECTOR OR BY HIS OR HER DESIGNEE. THE BOARD SHALL  
12 MEET AT LEAST FOUR TIMES EACH YEAR AND SHALL CARRY OUT THE  
13 FOLLOWING DUTIES:

14 (a) PROMULGATE RULES FOR ADMINISTRATION OF THE INITIATIVE,  
15 INCLUDING BUT NOT LIMITED TO THE FOLLOWING:

16 (I) CRITERIA FOR ELIGIBILITY OF STATE AGENCIES, NONPROFIT  
17 ORGANIZATIONS, AND PUBLIC INSTITUTIONS OF HIGHER EDUCATION TO  
18 PARTICIPATE IN THE INITIATIVE;

19 (II) CRITERIA FOR ELIGIBILITY OF STUDENTS TO APPLY FOR AND  
20 RECEIVE GRANTS FROM THE INITIATIVE, WHICH CRITERIA SHALL INCLUDE  
21 CONSIDERATION OF AN APPLICANT STUDENT'S:

22 (A) COURSES OF STUDY;

23 (B) COMMITMENT TO ACADEMIC ACHIEVEMENT;

24 (C) WORK EXPERIENCE;

25 (D) COMMUNITY INVOLVEMENT; AND

26 (E) EXTRACURRICULAR ACTIVITIES;

27 (III) RULES ESTABLISHING PERMISSIBLE USES OF GRANT AND

1 SCHOLARSHIP MONEYS FROM THE INITIATIVE, WHICH RULES SHALL  
2 STIPULATE THAT:

3 (A) NOT MORE THAN TEN PERCENT OF THE MONEYS IN THE  
4 FUND IN ANY FISCAL YEAR MAY BE AWARDED TO STATE AGENCIES AND  
5 NONPROFIT ORGANIZATIONS TO ASSIST SUCH AGENCIES AND  
6 ORGANIZATIONS WITH ENSURING THAT STUDENT-SUCCESS,  
7 PRECOLLEGIATE, POSTSECONDARY STUDENT SUPPORT SERVICES ARE  
8 AVAILABLE TO STUDENTS WHO ARE CLASSIFIED AS COLORADO RESIDENTS  
9 FOR TUITION PURPOSES; INCREASING THE CAPACITY FOR STUDENT SUPPORT  
10 SERVICES AT POSTSECONDARY INSTITUTIONS; AND DEVELOPING  
11 CONNECTIONS BETWEEN LOCAL EMPLOYERS, PUBLIC SCHOOLS,  
12 PRECOLLEGIATE ORGANIZATIONS, AND POSTSECONDARY INSTITUTIONS;

13 (B) OF THE MONEYS DESCRIBED IN SUB-SUBPARAGRAPH (A) OF  
14 THIS SUBPARAGRAPH (III), AT LEAST SEVENTY PERCENT MUST BE  
15 AWARDED TO NONGOVERNMENTAL ENTITIES;

16 (C) ANY MONEYS APPROPRIATED TO THE FUND THAT ARE NOT  
17 USED FOR THE PURPOSES DESCRIBED IN SUB-SUBPARAGRAPH (A) OF THIS  
18 SUBPARAGRAPH (III), OR TO PAY THE DIRECT AND INDIRECT COSTS OF  
19 ADMINISTERING THE INITIATIVE AS DESCRIBED IN SECTION 23-3.3-1005 (4),  
20 MUST BE USED TO PROVIDE TUITION ASSISTANCE TO ELIGIBLE COLORADO  
21 STUDENTS IN COLORADO WHO WILL ATTEND ELIGIBLE INSTITUTIONS OF  
22 HIGHER EDUCATION WITHIN THE STATE. TUITION ASSISTANCE PROVIDED  
23 PURSUANT TO THIS SUB-SUBPARAGRAPH (B) MAY TAKE THE FORM OF  
24 DIRECT AWARDS, MATCHING INCENTIVES TO CREATE OR INCREASE THE  
25 NUMBER OF OTHER SCHOLARSHIPS, LOANS WITH A PROGRESSIVE  
26 REPAYMENT STRUCTURE, OR ANY COMBINATION THEREOF.

27 (D) TO THE EXTENT PRACTICABLE, GRANTS OF TUITION

1 ASSISTANCE MUST BE AWARDED TO STUDENTS REPRESENTING RURAL AND  
2 URBAN AREAS OF THE STATE AND TO STUDENTS ATTENDING PUBLIC  
3 VOCATIONAL SCHOOLS, COMMUNITY COLLEGES, FOUR-YEAR INSTITUTIONS  
4 OF HIGHER EDUCATION, AND RESEARCH INSTITUTIONS; AND

5 (E) TO THE EXTENT PRACTICABLE, TUITION ASSISTANCE MUST BE  
6 EVENLY DISTRIBUTED BETWEEN STUDENTS WHO ARE ELIGIBLE FOR  
7 FEDERAL PELL GRANTS AND STUDENTS WHOSE HOUSEHOLD INCOMES ARE  
8 BETWEEN ONE HUNDRED PERCENT AND TWO HUNDRED FIFTY PERCENT OF  
9 THE MAXIMUM PERMISSIBLE INCOME FOR THE PURPOSE OF DETERMINING  
10 ELIGIBILITY FOR PELL GRANTS;

11 (IV) CRITERIA FOR EVALUATING THE EFFECTIVENESS OF THE  
12 INITIATIVE IN IMPROVING HIGHER EDUCATION OUTCOMES IN THE STATE,  
13 WHICH CRITERIA MUST INCLUDE, BUT NEED NOT BE LIMITED TO:

14 (A) REDUCTIONS IN REMEDIATION RATES AND ASSOCIATED COSTS;

15 (B) INCREASES IN GRADUATION RATES;

16 (C) REDUCTIONS IN AVERAGE TIME REQUIRED TO EARN A DEGREE;

17 (D) INCREASES IN STUDENT RETENTION RATES;

18 (E) REDUCTIONS IN DISPARITIES BETWEEN THE ACADEMIC  
19 ACHIEVEMENTS OF CERTAIN STUDENT POPULATIONS BASED ON  
20 DEMOGRAPHIC, GEOGRAPHIC, AND ECONOMIC INDICATORS;

21 (F) ADOPTION OF BEST PRACTICES FOR STUDENT SUPPORT  
22 SERVICES;

23 (G) FULFILLMENT OF LOCAL WORKFORCE NEEDS;

24 (H) REDUCTIONS IN STUDENT LOAN DEBT;

25 (I) IMPROVEMENTS IN TUITION AFFORDABILITY; AND

26 (J) IMPROVEMENTS IN STUDENTS' ACCESS TO FEDERAL GRANT  
27 PROGRAMS AND OTHER FEDERAL SOURCES OF SUPPORT FOR



1 POSTSECONDARY STUDENTS;

2 (b) IDENTIFY AND CONSIDER THE FEASIBILITY OF POTENTIAL  
3 FUNDING SOURCES FOR THE INITIATIVE, INCLUDING BUT NOT LIMITED TO:

4 (I) THE IMPLEMENTATION OF AN INCOME TAX CREDIT FOR  
5 TAXPAYERS OF THE STATE WHO ELECT TO MAKE A CONTRIBUTION TO THE  
6 FUND; AND

7 (II) ANY FUNDRAISING FOR THE INITIATIVE THAT MAY RESULT  
8 FROM A MEMORANDUM OF UNDERSTANDING EXECUTED BETWEEN THE  
9 BOARD AND A NONPROFIT ORGANIZATION, AS DESCRIBED IN SUBSECTION  
10 (5) OF THIS SECTION; AND

11 (c) ON OR BEFORE MAY 30, 2015, PREPARE AND SUBMIT TO THE  
12 DIRECTOR ANY RECOMMENDATIONS THE BOARD HAS FOR THE GENERAL  
13 ASSEMBLY CONCERNING THE IMPLEMENTATION OF THE INITIATIVE. THE  
14 DIRECTOR SHALL REPORT THE RECOMMENDATIONS OF THE BOARD TO THE  
15 EDUCATION COMMITTEES OF THE HOUSE OF REPRESENTATIVES AND  
16 SENATE, OR TO ANY SUCCESSOR COMMITTEES, AS DESCRIBED IN SECTION  
17 23-3.3-1003 (2).

18 (5) THE BOARD MAY ENTER INTO A MEMORANDUM OF  
19 UNDERSTANDING WITH A NONPROFIT ORGANIZATION FOR THE PURPOSE OF  
20 RAISING MONEYS FOR THE INITIATIVE.

21 **23-3.3-1005. Colorado opportunity scholarship initiative**

22 **fund - created - rules.** (1) THERE IS CREATED IN THE STATE TREASURY  
23 THE COLORADO OPPORTUNITY SCHOLARSHIP INITIATIVE FUND, WHICH  
24 CONSISTS OF:

25 (a) ANY MONEYS APPROPRIATED TO THE FUND BY THE GENERAL  
26 ASSEMBLY;

27 (b) ANY MONEYS TRANSFERRED TO THE FUND FROM ANY OTHER

1 FUND; AND

2 (c) ANY MONEYS RECEIVED BY THE DEPARTMENT AS GIFTS,  
3 GRANTS, OR DONATIONS PURSUANT TO SUBSECTION (3) OF THIS SECTION.

4 (2) THE MONEYS IN THE FUND ARE CONTINUOUSLY APPROPRIATED  
5 TO THE DEPARTMENT FOR THE PURPOSES DESCRIBED IN THIS PART 10. ALL  
6 INTEREST DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEYS IN  
7 THE FUND MUST REMAIN IN THE FUND. ANY UNEXPENDED OR  
8 UNENCUMBERED MONEYS REMAINING IN THE FUND AT THE END OF A  
9 FISCAL YEAR MUST REMAIN IN THE FUND AND NOT BE TRANSFERRED OR  
10 CREDITED TO THE GENERAL FUND OR ANOTHER FUND.

11 (3) THE DEPARTMENT IS AUTHORIZED TO ACCEPT ANY GIFTS,  
12 GRANTS, OR DONATIONS FROM ANY PRIVATE OR PUBLIC SOURCE ON  
13 BEHALF OF THE STATE FOR THE PURPOSES DESCRIBED IN THIS PART 10. THE  
14 DEPARTMENT SHALL TRANSMIT ALL SUCH GIFTS, GRANTS, AND DONATIONS  
15 TO THE STATE TREASURER, WHO SHALL CREDIT THE SAME TO THE FUND.

16 (4) THE DEPARTMENT IS AUTHORIZED TO SPEND NOT MORE THAN  
17 THREE PERCENT OF THE MONEYS IN THE FUND TO PAY THE DIRECT AND  
18 INDIRECT COSTS OF ADMINISTERING THE INITIATIVE IN ANY FISCAL YEAR.

19 (5) THE BOARD MAY PROMULGATE RULES FOR THE  
20 ADMINISTRATION OF THE FUND.

21

22 **SECTION 2.** In Colorado Revised Statutes, 24-46.3-101, **add** (9)  
23 as follows:

24 **24-46.3-101. State work force development council - creation**  
25 **- membership.** (9) (a) THE MEMBERS OF THE STATE COUNCIL SHALL  
26 SERVE AS MEMBERS OF THE COLORADO OPPORTUNITY SCHOLARSHIP  
27 INITIATIVE ADVISORY BOARD CREATED PURSUANT TO SECTION

1 23-3.3-1004, C.R.S.

2 (b) THE STATE COUNCIL SHALL IDENTIFY STAFF MEMBERS WITHIN  
3 THE DEPARTMENT OF EDUCATION CREATED PURSUANT TO SECTION  
4 24-1-115, THE DEPARTMENT OF HIGHER EDUCATION CREATED PURSUANT  
5 TO SECTION 24-1-114, AND THE DEPARTMENT OF LABOR AND  
6 EMPLOYMENT CREATED PURSUANT TO SECTION 24-1-121 WHO SHALL BE  
7 CHARGED WITH ASSISTING THE STATE COUNCIL IN FULFILLING ITS DUTIES  
8 PURSUANT TO THIS SUBSECTION (9).

9 **SECTION 3.** In Colorado Revised Statutes, 23-3.1-206.2, **add** (3)  
10 as follows:

11 **23-3.1-206.2. Financial need scholarships and grants - fund -**  
12 **repeal.** (3) THIS SECTION IS REPEALED, EFFECTIVE SEPTEMBER 1, 2014.  
13 THE STATE TREASURER SHALL TRANSFER ANY MONEYS REMAINING IN THE  
14 FUND ON SUCH DATE TO THE COLORADO OPPORTUNITY ■ SCHOLARSHIP  
15 INITIATIVE FUND CREATED IN SECTION 23-3.3-1004.

16 **SECTION 4.** In Colorado Revised Statutes, 23-3.1-205.4, **amend**  
17 (1) (c) (I), (1) (c) (II); and **repeal** (1) (c) (III) and (1) (c) (IV) as follows:

18 **23-3.1-205.4. Collegeinvest fund - creation - control - use.**  
19 (1) (c) Notwithstanding any provision of paragraph (a) of this subsection  
20 (1) to the contrary, if the authority or any other division of the department  
21 sells, transfers, or enters into a contract with another entity concerning all  
22 or any portion of the authority's or division's interest in any student loans  
23 or student obligations, the authority or the division shall deposit the net  
24 proceeds of the sale, transfer, or contract as follows:

25 (I) Up to five million dollars shall remain in the reserve account  
26 in the collegeinvest fund, which account is hereby created, and may be  
27 used: To fund the repurchase of student loans sold by the authority if a

1 guarantee agency refuses to honor a claim filed with respect to any such  
2 loans on account of an event that occurred prior to the sale; and to pay all  
3 liabilities, costs, and expenses with respect to the authority's programs to  
4 undertake forgiveness of indebtedness under such student loans sold by  
5 the authority. ~~Any moneys remaining in the reserve account as of January~~  
6 ~~1, 2011, shall be transferred to the financial need scholarship fund created~~  
7 ~~in section 23-3.1-206.2.~~

8 (II) After the retention of the amount required in subparagraph (I)  
9 of this paragraph (c), up to five million dollars of the remaining proceeds  
10 shall remain in the transition account in the collegeinvest fund, which  
11 account is hereby created to pay costs and expenses associated with the  
12 transition and wind-down of the authority's student loan program. Any  
13 expenditure from the transition account in excess of one hundred  
14 thousand dollars shall require the approval of the executive director. ~~Any~~  
15 ~~moneys remaining in the transition account as of January 1, 2011, shall~~  
16 ~~be transferred to the financial need scholarship fund created in section~~  
17 ~~23-3.1-206.2.~~

18 (III) ~~After the retention of the amounts required in subparagraphs~~  
19 ~~(I) and (II) of this paragraph (c), up to fifteen million dollars of the~~  
20 ~~remaining proceeds shall be transferred to the financial need scholarship~~  
21 ~~fund created in section 23-3.1-206.2 to increase the availability of~~  
22 ~~financial need scholarships.~~

23 (IV) ~~After the retention of the amounts required by subparagraphs~~  
24 ~~(I) and (II) of this paragraph (c) and the transfers required by~~  
25 ~~subparagraphs (III) and (III.5) of this paragraph (c), any remaining~~  
26 ~~amount of the proceeds shall be transferred to the financial need~~  
27 ~~scholarship fund created in section 23-3.1-206.2 and may reduce the need~~

1 for general fund appropriations in the same amount to the department for  
2 ~~need-based grants.~~

3           **SECTION 5. Act subject to petition - effective date.** This act  
4 takes effect at 12:01 a.m. on the day following the expiration of the  
5 ninety-day period after final adjournment of the general assembly (August  
6 6, 2014, if adjournment sine die is on May 7, 2014); except that, if a  
7 referendum petition is filed pursuant to section 1 (3) of article V of the  
8 state constitution against this act or an item, section, or part of this act  
9 within such period, then the act, item, section, or part will not take effect  
10 unless approved by the people at the general election to be held in  
11 November 2014 and, in such case, will take effect on the date of the  
12 official declaration of the vote thereon by the governor.