

First Regular Session  
Seventieth General Assembly  
STATE OF COLORADO

INTRODUCED

LLS NO. 15-0634.01 Brita Darling x2241

SENATE BILL 15-132

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SENATE SPONSORSHIP

Todd,

HOUSE SPONSORSHIP

Pettersen and Danielson,

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Senate Committees  
Education

House Committees

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A BILL FOR AN ACT

101 CONCERNING PROVIDING ASSISTANCE TO STUDENTS REGARDING  
102 HIGHER EDUCATION FUNDING, AND, IN CONNECTION  
103 THEREWITH, INCLUDING KNOWLEDGE OF ISSUES RELATING TO  
104 STUDENT LOAN DEBT FOR POSTSECONDARY EDUCATION IN THE  
105 STATE'S PERSONAL FINANCIAL LITERACY STANDARDS,  
106 PROVIDING FINANCIAL ASSISTANCE TO STUDENTS THROUGH  
107 MERIT-BASED FINANCIAL AID FOR ACADEMIC ACHIEVEMENT,  
108 AND MAKING AN APPROPRIATION.

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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*

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.*

[http://www.leg.state.co.us/bills/summaries.](http://www.leg.state.co.us/bills/summaries/))

The bill specifies that the state academic standards for public schools relating to financial literacy must include knowledge and skills relating to financing higher education or other career-related postsecondary education. The knowledge and skills include, but are not limited to, evaluating student loan programs, understanding loan repayment and the consequences of defaulting on student loans, and the requirement to pay student loan debt even if the student does not complete the educational program.

Additionally, the bill appropriates general fund moneys to the department of higher education for distribution by the Colorado commission on higher education to fund merit-based financial aid programs for students demonstrating significant academic achievement.

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

2 **SECTION 1.** In Colorado Revised Statutes, 22-2-127, **amend** (1)  
3 as follows:

4 **22-2-127. Financial literacy - resource bank - technical**  
5 **assistance - definitions.** (1) As used in this section, "financial literacy"  
6 means knowledge of personal finances that is sufficient to enable a person  
7 to manage savings, investment, and checking accounts; to design and  
8 maintain a household budget; to manage personal debt, INCLUDING  
9 STUDENT LOAN DEBT; to understand consumer credit and finance; to  
10 manage personal credit options; and to understand and select among  
11 short-term and long-term investment options.

12 **SECTION 2.** In Colorado Revised Statutes, 22-32-135, **amend**  
13 (1) (a), (1) (d), (1) (e), (2), and (3) as follows:

14 **22-32-135. Financial literacy curriculum - legislative**  
15 **declaration - definitions.** (1) The general assembly hereby finds that:  
16 (a) Life skills such as the ability to formulate a household budget,  
17 balance a checking account, read and understand the terms and conditions

1 of a credit card OR STUDENT LOAN APPLICATION, and otherwise manage  
2 personal finances are critical to a person's success in today's economy;

3 (d) Recent studies of consumer finances by the federal reserve  
4 board show that, at the end of the third quarter of 1999, household debt  
5 in the United States totaled over six trillion three hundred billion dollars.  
6 Almost one trillion four hundred billion dollars of this debt was consumer  
7 credit debt, while four trillion four hundred billion dollars consisted of  
8 mortgage debt. A MORE RECENT 2013 STUDY PUBLISHED BY THE FEDERAL  
9 RESERVE BANK OF NEW YORK SHOWS THAT STUDENT LOAN DEBT ALMOST  
10 TRIPLED BETWEEN 2004 AND 2012 AND IN 2015 EXCEEDS ONE TRILLION  
11 DOLLARS.

12 (e) With the recent growth in consumer debt and the apparently  
13 low level of education and understanding with regard to personal  
14 finances, it is imperative that the public schools of the state provide  
15 students with a thorough, high-quality curriculum of financial literacy to  
16 enable students to understand and master personal finance skills,  
17 including, at a minimum, managing bank accounts, household budgeting,  
18 understanding and managing personal debt, INCLUDING STUDENT LOAN  
19 DEBT, and managing personal savings and investment.

20 (2) As used in this section, "financial literacy" means knowledge  
21 of personal finances that is sufficient to enable a person to manage  
22 savings, investment, and checking accounts; to design and maintain a  
23 household budget; to manage personal debt, INCLUDING STUDENT LOAN  
24 DEBT; to understand consumer credit and finance; to manage personal  
25 credit options; and to understand and select among short-term and  
26 long-term investment options.

27 (3) Each school district board of education is strongly encouraged

1 to adopt as part of its district curriculum courses pertaining to financial  
2 literacy to be taught in grade-appropriate courses at the elementary,  
3 middle, junior high, and high school grade levels. When selecting  
4 mathematics and economics textbooks, each school district is strongly  
5 encouraged to select those texts that include substantive provisions on  
6 personal finance, including personal budgeting, credit, debt management,  
7 FINANCING HIGHER EDUCATION OR OTHER CAREER-RELATED  
8 POSTSECONDARY EDUCATION, and similar personal finance topics.

9 **SECTION 3.** In Colorado Revised Statutes, 22-7-1005, **add** (2)  
10 (d) as follows:

11 **22-7-1005. Preschool through elementary and secondary**  
12 **education - aligned standards - adoption - revisions.** (2) (d) IN  
13 DEVELOPING STANDARDS FOR FINANCIAL LITERACY, THE STATE BOARD  
14 SHALL INCLUDE KNOWLEDGE AND SKILLS RELATING TO FINANCING HIGHER  
15 EDUCATION OR OTHER CAREER-RELATED POSTSECONDARY EDUCATION.  
16 FINANCIAL LITERACY STANDARDS MUST INCLUDE AN UNDERSTANDING OF  
17 STUDENT LOAN PROGRAMS AND TYPES OF STUDENT LOANS, INCLUDING  
18 PUBLIC AND PRIVATE STUDENT LOANS; INTEREST AND DEBT LIMITS;  
19 REPAYMENT OF STUDENT LOANS AND THE CONSEQUENCES OF DEFAULTING  
20 ON STUDENT LOANS; POTENTIAL CAREER EARNINGS, INCLUDING STARTING  
21 SALARY BY SUBJECT AND LEVEL OF DEGREE OR CREDENTIAL; AND THE  
22 REQUIREMENT TO REPAY STUDENT LOANS EVEN IF THE STUDENT DOES NOT  
23 COMPLETE THE EDUCATIONAL PROGRAM.

24 **SECTION 4.** In Colorado Revised Statutes, **amend** 23-3.3-501  
25 as follows:

26 **23-3.3-501. Scholarship and grant program - funding.** (1) The  
27 commission shall use a portion of any moneys remaining after meeting

1 the requirements of parts 2 and 3 of this article to provide other programs  
2 of financial assistance based upon financial need, merit, talent, or other  
3 criteria established by the commission for students enrolled at institutions.

4 (2) MONEYS APPROPRIATED TO THE COMMISSION PURSUANT TO  
5 SENATE BILL 15-\_\_\_\_, ENACTED IN 2015, FOR MERIT-BASED AID FOR  
6 STUDENTS ENROLLED AT INSTITUTIONS, MUST BE USED TO PROVIDE  
7 FINANCIAL AID TO STUDENTS DEMONSTRATING SIGNIFICANT ACADEMIC  
8 ACHIEVEMENT.

9 **SECTION 5. Appropriation.** For the 2015-16 state fiscal year,  
10 \$5,000,000 is appropriated to the department of higher education for use  
11 by the Colorado commission on higher education. This appropriation is  
12 from the general fund. The commission may use this appropriation to  
13 provide merit-based financial aid to students demonstrating significant  
14 academic achievement pursuant to section 23-3.3-501 (2), Colorado  
15 Revised Statutes.

16 **SECTION 6. Safety clause.** The general assembly hereby finds,  
17 determines, and declares that this act is necessary for the immediate  
18 preservation of the public peace, health, and safety.