



**Colorado
Legislative
Council
Staff**

SB17-147

FISCAL NOTE

FISCAL IMPACT: State Local Statutory Public Entity Conditional No Fiscal Impact

Drafting Number: LLS 17-0760
Prime Sponsor(s): Sen. Fenberg

Date: February 9, 2017
Bill Status: Senate SVMA
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BILL TOPIC: DISTRIBUTE INFORMATION FEDERAL LOAN FORGIVENESS

Fiscal Impact Summary	FY 2017-2018	FY 2018-2019
State Revenue		
State Expenditures	<u>\$72,080</u>	<u>\$72,080</u>
General Fund		
Cash Funds	72,080	72,080
Appropriation Required: \$72,080 - Secretary of State (FY 2017-18).		
Future Year Impacts: Ongoing workload and expenditure impact.		

Summary of Legislation

No later than December 31, 2017, this bill requires that the Department of Personnel and Administration (DPA) develop and distribute informational materials concerning federal student loan forgiveness programs. This information must include:

- a summary of the federal public service loan forgiveness program, the teacher loan forgiveness program, and other federal student loan repayment programs;
- eligibility requirements;
- steps an eligible employee must take to participate in these programs;
- a recommendation that employees contact their student loan servicer for additional information; and
- answers to frequently asked questions.

In lieu of developing the materials, the DPA may provide materials published by a federal agency that include the required information. The DPA is required to make the materials available on the department's website, verify the accuracy of the information at least annually, update the information as necessary, and distribute the materials to the following entities:

- the Colorado Department of Education, for distribution to school districts, the Charter School Institute, and Boards of Cooperative Educational Services;
- the Department of Higher Education, for distribution to the governing boards of state supported institutions of higher education;
- the Secretary of State (SOS), for distribution to nonprofit public service organizations; and

- the Division of Local Government in the Department of Local Affairs for distribution to counties, municipalities, and special districts.

School districts, charter schools, and institutions of higher education are required to make the materials available for their employees, nonprofit service organizations and local governments are encouraged to do so.

State Expenditures

For FY 2017-18, the bill increases workload for the DPA to assemble or develop the required materials, and in the Colorado Department of Education, the Department of Higher Education, institutions of higher education, and the Department of Local Affairs to distribute information materials received from the DPA.

Department of Personnel and Administration. The bill requires that the DPA develop and distribute information materials on student loan forgiveness programs; however, if these materials are already available via a federal agency, the DPA may use those materials in lieu of developing new materials. The bill also allows the DPA to use email to distribute these materials to all state employees. As such, the department can accomplish the bill's requirements within existing appropriations, or as part of a regular mail communication to state employees. If the DPA cannot use existing materials, or is unable to distribute those existing materials via email, the department's workload and expenditures will increase. For example, distributing hard copy materials via regular mail to approximately 30,000 state employees is estimated at about \$18,000 annually.

Secretary of State. *The bill increases expenditures in the Secretary of State's office by \$72,080 annually.* The SOS does not maintain a separate database of nonprofit public service organizations. Instead, the SOS maintains information on these entities in two separate data bases, one for business filings and one for organizations that solicit charitable contributions in Colorado. It is unknown which entities in these separate data bases are nonprofit public service organizations. Further, the SOS does not require an email address for business filings, and may not have an email address for all nonprofit service organizations. Therefore, to implement the bill, the SOS will need to send a hard copy of the materials received by DPA to approximately 90,100 entities. Information Document Services in the DPA provides this service to the SOS at a \$0.80 per mailing cost, for a total cost of \$72,080.

Local Government and School District Impact

Local governments and school districts will have increased workload to distribute information received from the DPA to their employees. It is assumed that email distribution will suffice for these entities to distribute these materials. For any entity that is not able to distribute the materials via email, expenses increase to prepare and mail hard copies of these informational materials.

Effective Date

The bill takes effect August 9, 2017, if the General Assembly adjourns on May 10, 2017, as scheduled, and no referendum petition is filed.

State Appropriations

For FY 2017-18, the bill requires a cash fund appropriation of \$72,080 to the Secretary of State. This amount is then reappropriated to the Department of Personnel and Administration for Integrated Document Solutions in the Division of Central Services.

State and Local Government Contacts

Education
Personnel

Higher Education
Secretary Of State's Office

Local Affairs