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FISCAL NOTE

Drafting Number: LLS 18-0752 Date: February 8, 2018
Prime Sponsors: Sen. Zenzinger; Coram Bill Status: Senate Finance
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Bill Topic: EDUCATOR LOAN FORGIVENESS PROGRAM

- Summary of Fiscal Impact:
- State Revenue
- TABOR Refund
- State Expenditure
- Local Government
- State Transfer
- Statutory Public Entity

The bill modifies the existing teacher loan forgiveness program to target hard-to-fill educator positions. The bill increases state expenditures and workload on an ongoing basis.

Appropriation Summary: The bill requires a General Fund appropriation of \$500,000 to the Department of Higher Education.

Fiscal Note Status: This fiscal note reflects the introduced bill.

Table 1
State Fiscal Impacts Under SB 18-147

Table with 4 columns: Category, FY 2018-19, FY 2019-20, FY 2022-23. Rows include Revenue, Expenditures (General Fund), and Transfers.

Summary of Legislation

The existing teacher loan forgiveness program was created in the Department of Higher Education to provide loan repayment for teachers in a high-poverty school in a rural area or in a position in math, science, special education, or linguistically diverse education. The program has not been funded in several years.

The bill renames the program the educator loan forgiveness program and makes the following changes to the program:

- expands the program to include principals and special service providers;
- specifies the loan types that are eligible for repayment;
- changes the definition of qualified position from one in high-poverty school to a hard-to-staff teaching or special services position in a rural school district or content shortage area;
- modifies the annual reporting requirements for the program; and
- extends the program's repeal date to September 1, 2030.

The bill specifies that eligible educators may receive up to \$5,000 in loan forgiveness for each year of employment in a qualified position for up to five years. The Colorado Commission on Higher Education (CCHE) must approve up to 100 educators for participation in the program. If more than 100 applications are received, CCHE must prioritize applicants who have contracted for a qualified position in a rural school and in a content shortage area, followed by those who have contracted for a qualified position in a rural school, and finally those who have contracted for a qualified position in a content shortage area.

The bill removes the requirement that the Colorado Department of Education (CDE) identify high-poverty elementary schools and instead requires that CDE identify rural schools and districts, content shortage areas, and positions that are hard to fill due to geographical and content shortage area.

State Expenditures

The bill increases General Fund expenditures in the Department of Higher Education by \$500,000 in FY 2018-19, and \$1,000,000 in FY 2019-20. 100 educators will receive \$5,000 per year for five years; as a result, costs for loan repayments phase in over the first five years of the program, with up to \$2.5 million required in FY 2022-23 at full implementation. Because participation is capped and the program components are already in statute, no change in staffing or resources for the department is required to implement the modified program.

The bill also increases the workload in CDE by a minimal amount to identify the geographic and content shortage areas. No change in appropriations is required.

Effective Date

The bill takes effect August 8, 2018, if the General Assembly adjourns on May 9, 2018, as scheduled, and no referendum petition is filed.

State Appropriations

For FY 2018-19, the bill requires a General Fund appropriation of \$500,000 to the Department of Higher Education.

State and Local Government Contacts

Education Higher Education