



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Final Fiscal Note

Drafting Number:	LLS 23-0581	Date:	May 17, 2023
Prime Sponsors:	Sen. Marchman; Gonzales Rep. Young	Bill Status:	Signed into Law
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Bill Topic:	FULL-TIME EMPLOYMENT FOR HIGHER EDUCATION FACULTY
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Summary of Fiscal Impact:	<input type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
	<input checked="" type="checkbox"/> State Expenditure	<input type="checkbox"/> Local Government
	<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

The bill establishes procedures for higher education institutions to follow when certifying employment for the purpose of the federal Public Service Loan Forgiveness program. The bill increases workload and costs for institutions on an ongoing basis.

Appropriation Summary:	No appropriation is required.
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Fiscal Note Status:	The fiscal note reflects the enacted bill.
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Summary of Legislation

The bill specifies procedures for institutions of higher education to certify employment for the federal Public Service Loan Forgiveness Program (PSLF). Specifically, it requires that institutions of higher education credit 4.35 hours worked for each credit or contact hour worked, and specifies that institutions must not unreasonably delay certification of employment.

The institutions must provide a copy of the PSLF form with the employer information filled out for at least the prior 12 months to:

- any current or former employee who requests it;
- any current employee for whom the institution has previously certified employment; and
- an employee who ending work with the institution.

Additionally, for the purposes of PSLF certification, the bill specifies how to handle consecutive academic terms, requires that institutions adopt a policy to maximize the amount of employee time that can be considered full-time, and defines full-time employment. If federal rules are more favorable to employees than the bill's provisions, institutions must apply the federal rules.

Background

PSLF provides loan forgiveness to full-time employees of government entities and certain non-profit organizations, once the employees have made 120 on-time, full, monthly payments under a qualifying repayment plan. Government entities include federal, state, and local governments, including public K-12 schools, public institutions of higher education, and special districts. Employees are considered to be full-time if they work at least 30 hours per week. A portion of the form for the program must be completed by the employer to certify employment.

State Expenditures

Beginning in FY 2023-24, the bill increases workload and costs for institutions of higher education to provide annual certification for employees and modify their certification procedures to align with the bill's requirements. Whether this work incurs additional costs will depend on the number of employees that require a certification form, the number of employees that request forms, and the extent to which the institution has already or needs to automate the certification procedures. The fiscal note assumes that any costs will be covered by institutional revenue sources and no change in state appropriations is required.

Effective Date

The bill was signed into law by the Governor and took effect on March 23, 2023.

State and Local Government Contacts

Higher Education