Second Regular Session Seventy-fourth General Assembly STATE OF COLORADO

INTRODUCED

LLS NO. 24-1044.01 Jason Gelender x4330

HOUSE BILL 24-1374

HOUSE SPONSORSHIP

Marvin and Rutinel,

SENATE SPONSORSHIP

Michaelson Jenet,

House Committees Judiciary

Senate Committees

A BILL FOR AN ACT CONCERNING MEANS OF ENSURING THAT INDEPENDENT CONTRACTORS WHO PERFORM LEGAL SERVICES ON BEHALF OF INDEPENDENT JUDICIAL AGENCIES ARE ELIGIBLE FOR THE FEDERAL PUBLIC SERVICE LOAN FORGIVENESS PROGRAM.

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://leg.colorado.gov.)

Independent contractors (contractors) were previously ineligible for the federal public service loan forgiveness program (program), which forgives remaining federal student loan liability for government and nonprofit full-time employees after 10 years of qualifying service, but in 2023 the federal government made contractors who perform work for a government agency eligible for the program if the work cannot be performed by a government employee. Three independent judicial agencies, the office of the alternative defense counsel, the office of the child's representative, and the office of respondent parents' counsel (agencies) primarily use contractors to provide legal representation on behalf of the agencies because providing the same services through state employees would create ethical conflicts.

To enable these contractors to qualify for the program if they otherwise meet program requirements, the bill:

- Clarifies that state employees cannot provide the legal services that the independent contractors provide;
- Allows the agencies to certify that a contractor appears to be eligible for the program; and
- Because some contractors provide or have provided legal services on behalf of more than one of the agencies, authorizes the agencies to share contractor information to the extent necessary to certify a contractor's eligibility for the program.

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

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SECTION 1. Legislative declaration. (1) The general assembly finds and declares that:

- (a) Three independent judicial agencies, the office of the alternative defense counsel, the office of the child's representative, and the office of respondent parents' counsel, primarily use independent contractors to provide legal representation as required by state law because providing the same services through government employees would be impracticable due to the ethical conflicts that such employment would create;
- (b) Providing legal representation through independent contractors is a common model to address such conflicts;
- (c) In 2007, Congress created the public service loan forgiveness program to allow government and nonprofit full-time employees to have

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their federal student loans forgiven after ten years of qualifying service, but, unfortunately, independent contractors who provide crucial legal representation through contracts with government agencies were not eligible for the program;

- (d) In 2023, the federal government changed the requirements for the program to make an independent contractor eligible for public service loan forgiveness if the work that the independent contractor performs for a government agency cannot be performed by a government employee;
- (e) Providing opportunities for independent contractors who provide legal services on behalf of independent judicial agencies to be eligible for the same federal public service loan forgiveness that would be available for government employees performing similar work will improve recruitment and retention for crucial public service legal work and provide important financial benefits to Colorado residents and small business owners;
- (f) Each year, these three independent judicial agencies lose highly qualified and trained contractors to full-time government or nonprofit jobs because these contractors want to be eligible for public service loan forgiveness, and this turnover is costly for the state and detrimental to clients; and
- (g) Nothing in this act is intended to alter eligibility for state or local loan forgiveness, and the federal government will continue to be ultimately responsible for determining eligibility for federal public service loan forgiveness.
- (2) The general assembly therefore declares that it is in the best interests of the state, the legal profession, and the people served by independent judicial agencies to clarify that independent contractors who

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provide legal services on behalf of independent judicial agencies can be eligible for federal public service loan forgiveness.

3 **SECTION 2.** In Colorado Revised Statutes, 13-91-105, **add** (3) 4 as follows:

5 13-91-105. Duties of the office of the child's representative -6 guardian ad litem and counsel for youth programs. (3) COLORADO 7 RELIES PRIMARILY ON AN INDEPENDENT CONTRACTOR MODEL OF LEGAL 8 REPRESENTATION FOR CHILDREN AND YOUTH PROVIDED IN ACCORDANCE 9 WITH THIS SECTION. WHILE THE OFFICE OF THE CHILD'S REPRESENTATIVE 10 CURRENTLY PROVIDES LEGAL REPRESENTATION FOR CHILDREN AND YOUTH 11 IN SOME CASE TYPES AND IN ONE COUNTY THROUGH STATE EMPLOYEES 12 AND WILL CONTINUE TO EXPLORE THE USE OF A STATE EMPLOYEE STAFF 13 MODEL OF LEGAL REPRESENTATION FOR CHILDREN AND YOUTH WHERE 14 FEASIBLE, COLORADO'S NEED FOR LEGAL REPRESENTATION FOR CHILDREN 15 AND YOUTH CANNOT BE FILLED OR PROVIDED STATEWIDE SOLELY BY 16 EMPLOYEES OF THE OFFICE OF THE CHILD'S REPRESENTATIVE. THE 17 DIRECTOR OR THE DIRECTOR'S DESIGNEE IS AUTHORIZED TO SIGN A 18 CERTIFICATION FOR ANY CURRENT OR PAST INDEPENDENT CONTRACTOR 19 THAT CERTIFIES THAT THE CONTRACTOR APPEARS TO BE ELIGIBLE FOR 20 FEDERAL PUBLIC SERVICE LOAN FORGIVENESS AS ALLOWED BY FEDERAL 21 LAW OR REGULATIONS. WITH THE AUTHORIZATION OF AN INDEPENDENT 22 CONTRACTOR WHO IS PROVIDING OR HAS PROVIDED LEGAL 23 REPRESENTATION ON BEHALF OF THE OFFICE, THE DIRECTOR OR THE 24 DIRECTOR'S DESIGNEE MAY SHARE INFORMATION, INCLUDING THE 25 CONTRACTOR'S NAME, SOCIAL SECURITY NUMBER OR FEDERAL EMPLOYER 26 IDENTIFICATION NUMBER, AND THE TOTAL NUMBER OF HOURS BILLED BY 27 THE CONTRACTOR BY CALENDAR YEAR, WITH OTHER INDEPENDENT

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1	JUDICIAL AGENCIES FOR THE PURPOSE OF CERTIFYING APPARENT PAST,
2	CURRENT, AND FUTURE ELIGIBILITY FOR PUBLIC SERVICE LOAN
3	FORGIVENESS ALLOWED BY FEDERAL LAW OR REGULATIONS.
4	SECTION 3. In Colorado Revised Statutes, 13-92-104, add (3)
5	as follows:
6	13-92-104. Duties of the office of the respondent parents'
7	counsel. (3) Employees of the office are prohibited from
8	PROVIDING DIRECT LEGAL REPRESENTATION TO RESPONDENT PARENTS.
9	FOR THE PURPOSE OF DETERMINING ELIGIBILITY FOR FEDERAL PUBLIC
10	SERVICE LOAN FORGIVENESS, AN INDEPENDENT CONTRACTOR, INCLUDING
11	AN ATTORNEY, A SOCIAL WORKER, A FAMILY ADVOCATE, OR A PARENT
12	ADVOCATE, WHO IS PROVIDING OR HAS PROVIDED LEGAL SERVICES TO
13	RESPONDENT PARENTS PURSUANT TO THE CONTRACTOR'S CONTRACT HAS
14	A CONFLICT THAT PROHIBITS THE CONTRACTOR FROM PROVIDING THESE
15	SERVICES AS A STATE EMPLOYEE. THE DIRECTOR OR THE DIRECTOR'S
16	DESIGNEE IS AUTHORIZED TO SIGN A CERTIFICATION FOR ANY CURRENT OR
17	PAST INDEPENDENT CONTRACTOR THAT CERTIFIES THAT THE CONTRACTOR
18	APPEARS TO BE ELIGIBLE FOR FEDERAL PUBLIC SERVICE LOAN
19	FORGIVENESS AS ALLOWED BY FEDERAL LAW OR REGULATIONS. WITH THE
20	AUTHORIZATION OF AN INDEPENDENT CONTRACTOR, THE DIRECTOR OR THE
21	DIRECTOR'S DESIGNEE MAY SHARE INFORMATION, INCLUDING THE
22	CONTRACTOR'S NAME, SOCIAL SECURITY NUMBER OR FEDERAL EMPLOYER
23	IDENTIFICATION NUMBER, AND TOTAL NUMBER OF HOURS BILLED BY THE
24	CONTRACTOR BY CALENDAR YEAR, WITH OTHER JUDICIAL AGENCIES FOR
25	THE PURPOSE OF CERTIFYING APPARENT PAST, CURRENT, AND FUTURE
26	ELIGIBILITY FOR PUBLIC SERVICE LOAN FORGIVENESS ALLOWED BY
27	FEDERAL LAW OR REGULATIONS.

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1	SECTION 4. In Colorado Revised Statutes, 21-2-105, add (3) as
2	follows:
3	21-2-105. Contracts with attorneys and other legal services
4	providers. (3) COLORADO RELIES PRIMARILY ON AN INDEPENDENT
5	CONTRACTOR MODEL OF LEGAL REPRESENTATION FOR COURT-APPOINTED
6	ADULT AND YOUTH REPRESENTATION IN ACCORDANCE WITH THIS SECTION
7	WHEN THE PUBLIC DEFENDER'S OFFICE HAS A LEGAL CONFLICT OF
8	INTEREST. WHILE THE OFFICE OF THE ALTERNATE DEFENSE COUNSEL
9	PROVIDES SOME LEGAL REPRESENTATION FOR INDIGENT INDIVIDUALS ON
10	SOME CASES THROUGH STATE EMPLOYEES AND WILL CONTINUE TO
11	EXPLORE THE USE OF STATE EMPLOYEE STAFF MODEL SOLUTIONS WHERE
12	FEASIBLE, COLORADO'S NEED FOR CONFLICT-FREE INDIGENT DEFENSE
13	COUNSEL CANNOT BE FILLED OR PROVIDED STATEWIDE BY DIRECT
14	EMPLOYEES OF THE OFFICE OF THE ALTERNATE DEFENSE COUNSEL. FOR
15	THE PURPOSE OF DETERMINING ELIGIBILITY FOR FEDERAL PUBLIC SERVICE
16	LOAN FORGIVENESS, ANY INDEPENDENT CONTRACTOR, INCLUDING, BUT
17	NOT LIMITED TO, A RESOURCE ADVOCATE, AN INVESTIGATOR, A CASE
18	ASSISTANT, AN ATTORNEY, A SOCIAL WORKER, A PARALEGAL, OR A LEGAL
19	RESEARCHER, WHO IS CURRENTLY PROVIDING OR HAS PREVIOUSLY
20	PROVIDED LEGAL SERVICES OR SERVICES THROUGH AN INTERDISCIPLINARY
21	LEGAL TEAM HAS A CONFLICT IN PROVIDING THESE SERVICES AS A STATE
22	EMPLOYEE. THE DIRECTOR OF THE OFFICE OF THE ALTERNATE DEFENSE
23	COUNSEL OR THE DIRECTOR'S DESIGNEE IS AUTHORIZED TO SIGN A
24	CERTIFICATION FOR ANY CURRENT OR PAST INDEPENDENT CONTRACTOR
25	THAT CERTIFIES THAT THE CONTRACTOR APPEARS TO BE ELIGIBLE FOR
26	FEDERAL PUBLIC SERVICE LOAN FORGIVENESS AS ALLOWED BY FEDERAL
27	LAW OR REGULATIONS. WITH THE AUTHORIZATION OF AN INDEPENDENT

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1	CONTRACTOR, THE DIRECTOR OF THE OFFICE OF THE ALTERNATE DEFENSE
2	COUNSEL OR THE DIRECTOR'S DESIGNEE MAY SHARE INFORMATION,
3	INCLUDING THE CONTRACTOR'S NAME, SOCIAL SECURITY NUMBER OR
4	FEDERAL EMPLOYER IDENTIFICATION NUMBER, AND THE TOTAL NUMBER
5	OF HOURS BILLED BY THE CONTRACTOR BY CALENDAR YEAR, WITH OTHER
6	INDEPENDENT JUDICIAL AGENCIES FOR THE PURPOSE OF CERTIFYING
7	APPARENT PAST, CURRENT, AND FUTURE ELIGIBILITY FOR PUBLIC SERVICE
8	LOAN FORGIVENESS ALLOWED BY FEDERAL LAW OR REGULATIONS.
9	SECTION 5. Safety clause. The general assembly finds,
10	determines, and declares that this act is necessary for the immediate
11	preservation of the public peace, health, or safety or for appropriations for
12	the support and maintenance of the departments of the state and state
13	institutions.

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