

**STATE
FISCAL IMPACT**

Drafting Number: LLS 10-0528 **Date:** January 13, 2010
Prime Sponsor(s): Sen. Tapia **Bill Status:** Senate Education
 Rep. Ferrandino **Fiscal Analyst:** Josh Abram (303-866-3561)

TITLE: CONCERNING THE ELIGIBILITY REQUIREMENTS FOR THE NURSING TEACHER LOAN FORGIVENESS PILOT PROGRAM.

Fiscal Impact Summary	FY 2010-2011	FY 2011-2012
State Revenue		
State Expenditures		
Cash Funds		
Nursing Teacher Loan Forgiveness Fund	\$20,000	\$40,000
FTE Position Change		
Effective Date: August 11, 2010, assuming the General Assembly adjourns May 12, 2010, as scheduled and no referendum petition is filed.		
Appropriation Summary for FY 2010-2011: None required.		
Local Government Impact: None.		

Summary of Legislation

This bill changes eligibility requirements for participation in the Nursing Teacher Loan Forgiveness Pilot Program. Under current law, participants must be employed full time as a nurse educator to qualify for the program. This bill reduces the required employment from full time to half time. A nurse can take advantage of the program within 2 years after completing an advanced degree.

Background

Senate Bill 06-136 created a pilot program to provide payment of up to \$20,000 in loan forgiveness for persons who teach courses in nursing for 5 consecutive years after receipt of an advanced degree. Each year that the teacher is employed in a qualified position, up to \$4,000 is applied to the participant's student loans.

The program is administered by CollegeInvest, a self-supporting, state enterprise established to provide a secondary market for student lenders, and which operates as a division of the Department of Higher Education (DHE). Beginning in FY 2006-07, \$161,600 has been appropriated annually for the program from the General Fund to the Nursing Teacher Loan Forgiveness Fund. Each annual appropriation can support 8 participants for 5 years. As of FY 2008-09, there were 11 participants in the program.

State Expenditures

Expanding the number of nurses in the program results in state expenditures of \$20,000 in FY 2010-11 and \$40,000 in FY 2011-12. This bill does not change the amount of money available for loan forgiveness or impact the workload of the Department of Higher Education or CollegeInvest; however, it is estimated that 5 additional nurses will join the program in each of the next two fiscal years. If each new nurse qualifies for the full benefit of \$4,000 each year, the new expenditures from the fund will be \$20,000 in FY 2010-11 and \$40,000 in FY 2011-12.

State Appropriations

The expected increase in program participation can be accommodated by the existing fund balance. Current appropriations to the fund are sufficient to provide for over 30 nurse participants, and less than half that number are now receiving loan forgiveness. Therefore, no additional appropriation is required by the bill.

Departments Contacted

Higher Education