


Colorado Legislative Council Staff
STATE
FINAL FISCAL IMPACT
(replaces fiscal impact dated February 9, 2006)

Drafting Number: LLS 06-0695
Prime Sponsor(s): Sen. Tapia
 Rep. Butcher

Date: June 5, 2006
Bill Status: Signed into Law
Fiscal Analyst: Marc Carey (303-866-4102)

TITLE: CONCERNING AUTHORIZATION OF A NURSING TEACHER LOAN FORGIVENESS PILOT PROGRAM.

Fiscal Impact Summary	FY 2006/07	FY 2007/08
State Revenues		
Cash Funds Exempt - Nursing Teacher Loan Forgiveness Fund	\$161,600	\$161,600
State Expenditures		
General Fund	\$161,600	\$161,600
Cash Funds Exempt - Nursing Teacher Loan Forgiveness Fund	161,600	161,600
FTE Position Change	0.0 FTE	0.0 FTE
Effective Date: The bill was signed into law on June 1, 2006.		
Appropriation Summary for FY 2006/07:		
Department of Higher Education, College Invest: \$161,600 GF.		
Local Government Impact: None		

Summary of Legislation

This bill authorizes CollegeInvest to establish a Nursing Teacher Loan Forgiveness Pilot Program for implementation in the fall of the 2006-07 academic year. The program will provide for a payment of up to \$20,000 for all or part of the principal and interest on a loan for persons who teach courses in nursing at a state institution of higher education for at least 5 consecutive academic years after receipt of an advanced nursing degree. Each year that the teacher is employed in a qualified position, the lesser of one-fifth or \$4,000 shall be paid or forgiven.

The bill also establishes the Nursing Teacher Loan Forgiveness Cash Fund in the State Treasury consisting of moneys appropriated by the General Assembly and any gifts, grants or donations. Money's from this fund are continuously appropriated to the Department of Higher Education to cover the costs of the program. The bill requires CollegeInvest, on or before December 15, 2008, and each December 15 every 2 years thereafter, to prepare a report for the Education committees of the General Assembly providing information on program participants and program funds. The bill repeals the program effective July 1, 2018.

State Expenditures

Department of Higher Education, CollegeInvest. CollegeInvest is a self-supporting, state enterprise established by the General Assembly to provide a secondary market for student lenders, and is currently operating as a division in the Department of Higher Education. CollegeInvest would administer the program.

The bill stipulates that moneys will be continuously appropriated for the program. As a result of this bill, CollegeInvest will spend an additional \$160,000 in grant moneys in FY 2006-07 and FY 2007-08 and \$1,600 in each year to administer the grants. These expenditure impacts result from paying off the loans of nursing teachers that qualify for the program. This fiscal note assumes that additional General Fund will be appropriated to cover these costs, based on the following assumptions:

- 128 students will graduate from graduate nursing programs, based on an average graduation level from academic year 1999-00 through 2003-04;
- 65 percent of these students will have remaining debt;
- 10 percent of these students will take teaching positions;
- in 2007, 8 nursing teachers will apply and qualify for the program;
- in 2008, 8 nursing teachers will apply and qualify for the program;
- all of these teachers will have their loans paid off with General Fund moneys, administered by CollegeInvest;
- CollegeInvest will incur administrative costs of \$200 per grant;
- the average annual loan payment per qualified teacher is estimated to be \$4,000;
- each qualifying teacher will remain in the program for five years; and
- these expenditures are calculated on an accrual accounting basis.

State Appropriations

In FY 2006-07,

- the Nursing Teacher Loan Forgiveness Fund will require a General Fund appropriation of \$161,600;
- the Department of Higher Education, CollegeInvest will require a cash fund exempt appropriation of \$161,600 from the Nursing Teacher Loan Forgiveness Fund; and
- moneys will be continuously appropriated from the Nursing Teacher Loan Forgiveness Fund for the duration of the program.

Departments Contacted

Higher Education

Treasury