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## FISCAL IMPACT REPORT

<b>SPONSOR</b> <u>Thomson/Jaramillo/Cates/Trujillo/Ferrary</u> <b>SHORT TITLE</b> <u>Instructional Support Student Loan Repayment</u>	<b>LAST UPDATED</b> _____ <b>ORIGINAL DATE</b> <u>2/17/23</u> <b>BILL NUMBER</b> <u>House Bill 371</u> <b>ANALYST</b> <u>Jorgensen</u>
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### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT\* (dollars in thousands)

	FY23	FY24	FY25	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
		No fiscal impact	No fiscal impact			

Parentheses ( ) indicate expenditure decreases.  
 \*Amounts reflect most recent version of this legislation.

Relates to appropriation in the General Appropriation Act

### Sources of Information

LFC Files

Responses Received From  
 Higher Education Department (HED)

## SUMMARY

### Synopsis of House Bill 371

House Bill 371 expands the Teacher Loan Repayment Act to allow instructional support staff including educational assistants, counselors, and therapists to qualify for loan repayment. Currently, the teacher loan repayment program (TLRP) is limited to teachers and provides priority to “designated high-need teacher positions” including teachers endorsed and teaching bilingual education, early childhood education, special education, STEM and career technical education, teachers who are minorities, and teachers in low-performing or economically disadvantaged schools.

HB371 expands eligibility to “instructional support providers” including: educational assistants, school counselors, educational diagnosticians, social workers, school nurses, speech-language pathologists, psychologists, physical therapists, physical therapy assistants, occupational therapists, occupational therapy assistants, recreational therapists, behavior specialists, marriage and family therapists, interpreters for the deaf, rehabilitation counselors, behavioral therapists, alcohol, drug and substance abuse counselors, substance abuse associates, and other practitioners designated by law or rule of the department.

The effective date of this bill is July 1, 2023.

## **FISCAL IMPLICATIONS**

HB371 does not include an additional appropriation and thus would not increase the cost of the program. However, The Higher Education Department (HED) estimates the additional loan demand for the program to be approximately \$2.5 million per year. At the maximum award amount of \$6,000 per participant per year, the \$2.5 million would pay just over 400 awards per year. Enactment of HB371 will increase the number of loan applications but, because there is no additional funding, a lower proportion of applicants will receive loan repayment.

## **SIGNIFICANT ISSUES**

The teacher loan repayment program makes annual awards of up to \$6,000 per year and awards are made based on a two year contract so that a recipient would receive total loan repayment of \$12 thousand. The payment is made to the loan servicer.

HED reports a current teacher loan repayment fund balance of \$14.8 million and the 2023 General Appropriation Act as passed by the House provides HED authority to expend \$5 million for teacher loan repayment in FY24. For FY23, 966 eligible teachers have been provisionally awarded funds under TLRP upon completion of the school year.

LFC analysis of Public Education Department data show there are approximately 11.4 thousand instructional support providers. The teacher loan repayment program budget grew from \$2 million in FY21 to \$5 million in FY23.

## **ADMINISTRATIVE IMPLICATIONS**

Enactment of HB371 would require HED to promulgate new rules related to the loan repayment program.

## **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

The General Appropriation Act of 2023 as passed by the House has \$5 million in budget authority for the teacher loan repayment program. Should HB371 be enacted, it would likely increase demand for the program but would not provide additional funding.

## **OTHER SUBSTANTIVE ISSUES**

HB371 directs HED to designate all instructional support providers in the same high priority category as “designated high-need teacher positions” when making loan repayment application determinations.

CJ/al/ne/mg