Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the Legislature. LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

FISCAL IMPACT REPORT

		LAST UPDATED	
SPONSOR López		ORIGINAL DATE	2/26/2025
	Public Service Law Loan Repayment	BILL	
SHORT TITLE	Addition	NUMBER	Senate Bill 491

ANALYST Jorgensen

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT*

(dollars in thousands)									
Agency/Program	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected			
OFRA	No fiscal impact								
HED	No fiscal impact	Indeterminate but minimal		Indeterminate but minimal	Recurring	General Fund			

Parentheses () indicate expenditure decreases.

*Amounts reflect most recent analysis of this legislation.

Sources of Information

LFC Files

<u>Agency Analysis Received From</u> Higher Education Department (HED) Office of Family Representation and Advocacy (OFRA)

SUMMARY

Synopsis of Senate Bill 491

Senate Bill 491 (SB491) amends and creates multiple new sections of law. Specific provisions of SB491 would:

- Add attorneys at the Office of Family Representation and Advocacy (OFRA) to employees eligible to receive student loan relief from the Public Service Law Loan Repayment Program and adds the OFRA director to the commission which awards public service law loan repayments.
- Create the Child and Family Welfare Worker Loan Repayment Act and accompanying fund that would be administered by the Higher Education Department (HED) and provide loan repayment up to \$25 thousand to certain OFRA workers. The bill does not provide an appropriation for the newly-created loan repayment program.
- Add language to the Children's Code clarifying that OFRA shall assign counsel for the parent, guardian, or custodian of a child at the inception of an abuse or neglect case and provides that a parent, guardian, or custodian may waive the right to representation.
- Create a new section of law allowing OFRA to appoint attorneys not contracted with the office to represent children and indigent parents or guardians if there are no staff or contract attorneys available. These attorneys would be paid a rate commensurate with OFRA contract attorneys and would be reimbursed for reasonable expenses.

• Amend the Fostering Connections Act clarifying that OFRA shall assign counsel for the eligible adult at the inception of a fostering connections proceeding and provides that an eligible adult may waive the right to representation.

This bill does not contain an effective date and, as a result, would go into effect 90 days after the Legislature adjourns if enacted, or June 20, 2025.

FISCAL IMPLICATIONS

SB491 creates a new loan repayment program but does not contain an appropriation to fund it nor does it guarantee loan repayment to OFRA employees. Therefore, the state has no additional financial obligations under the loan repayment provisions. Other changes proposed by the bill reflect current practice and are funded in OFRA's existing operating budget. For this reason, the bill has no fiscal impact to OFRA.

SB491 requires HED to develop and promulgate rules governing the newly-created Child and Family Welfare Worker Loan Repayment Act. This will require additional staff time. Because the bill does not include an appropriation to support these costs, the impact to HED will have to be funded with current resources. This analysis assumes the fiscal impact is indeterminate but minimal.

SIGNIFICANT ISSUES

OFRA notes the agency currently employs 35 attorneys, 19 social workers, and 20 peer navigators who would qualify for the loan repayment program.

OFRA social workers are eligible to apply for loan repayment through the existing health professionals loan repayment program administered by HED. The program provides a maximum annual award of \$25 thousand per year for a 3-year award cycle. In FY24, HED provided nearly \$15 million in loan repayments to 701 health professionals, including 153 mental health providers.

HED reports the public service law loan repayment program provides a maximum award amount of \$7,200 and receives \$144 thousand in general fund appropriations annually. In FY25, HED reported making 7 loans from the program.

OFRA reports that, apart from the loan repayment program changes,

Other provisions in the bill are largely clean up:

- a) clarifying that the courts appoint OFRA, but that OFRA either represents clients directly or assigns contractors to represent parties in Children's Court cases;
- b) clarifying that OFRA only represents respondents determined to be indigent by the court or determined by the court to qualify for OFRA-assigned counsel in the interests of justice; and
- c) codifying adults' constitutional right to waive counsel when done knowingly and voluntarily.

The proposed new Section 32A-4-10.1 would solve certain ongoing problems, mostly created by the transition from previous direct appointment of attorneys by the court/contract management by the Administrative Office of the Courts (AOC) to OFRA. These provisions

would:

(d) allow OFRA to ask the court to appoint counsel directly when OFRA determines that no staff or contract attorneys are available and to compensate those attorneys from the date of appointment without approval by the Secretary of the General Services Department; and

(e) allow OFRA to compensate the small number of attorneys appointed by the Court before OFRA existed for their ongoing work on Children's Court cases, even when they do not hold a contract with OFRA.

CJ/rl/SL2