



# HOUSE COMMITTEE ON APPROPRIATIONS

## FISCAL NOTE

HOUSE BILL NO. 2124

PRINTERS NO. 4277

PRIME SPONSOR: C. Quinn

### COST / (SAVINGS)

FUND	FY 2018/19	FY 2019/20
General Fund	See Fiscal Impact	

#### SUMMARY:

House Bill 2124 amends the Public School Code concerning information regarding education loans. It would take effect in 60 days.

#### ANALYSIS:

House Bill 2124 adds a new section to the Public School Code concerning information regarding education loans. It requires an institution of higher education that receives Federal education loan information or other student loan information regarding a student to provide to the student on an annual basis at a time determined by the school, but no later than July 1 each year, certain information as enumerated in the legislation. This includes an estimate of the total amount of loans taken out by the student and disbursed by the institution, as well as estimates of the potential total payoff amount, the number of years used to determine the total payoff, and information on how the student can access online repayment calculators. The legislation also lists the contents of a disclaimer to be provided along with this information that explains its limitations. This includes a link to a Federal online aid counseling tool and a repayment estimator that have been approved by the Department of Education in consultation with the Pennsylvania Higher Education Assistance Agency (PHEAA).

The requirement to provide this information begins in September 2019, and it must be provided through first class mail, electronic mail, or another communication protocol established by the higher education institution. An institution of higher education that contracts with a student loan servicer, including PHEAA, to provide the information required under this legislation shall be deemed to have complied with its provisions.

The Department of Education shall administer and enforce these requirements. In addition, an institution of higher education that provides information pursuant to this legislation will not incur liability for any representations made.

This legislation applies to the state's community colleges, the Pennsylvania State System of Higher Education, the state-related universities, any accredited private or independent college or university, and any private licensed school

**FISCAL IMPACT:**

Enactment of this legislation will have no adverse impact on Commonwealth funds.

It may have an impact on individual colleges and universities, an impact that will vary considerably based on the technological infrastructure and staffing of the institution's financial aid office.

Pennsylvania's Community Colleges indicate HB 2124 will result in increased administrative costs that will vary by institution and will depend on several factors including current policies and procedures, staffing levels, and the capacity of existing technology. Increased costs are estimated at \$100,000 per college.

The State System of Higher Education anticipates a fiscal impact of at least \$100,000 per university. This includes information technology support services and additional financial aid counseling.

Penn State University, Temple University and The University of Pittsburgh have indicated that the costs to implement the provisions contained in this legislation should be minimal as their student financial aid offices are currently equipped to provide similar information to students.

**PREPARED BY:** Jeff Miller  
House Appropriations Committee (R)

**DATE:** October 17, 2018

*Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.*