

### Fiscal Estimate - 2015 Session

Original     
  Updated     
  Corrected     
  Supplemental

LRB Number <b>15-0263/2</b>	Introduction Number <b>AB-0272</b>
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**Description**  
 Student loans, the individual income tax subtract modification for tuition and student fees, creating an authority to be known as the Wisconsin Student Loan Refinancing Authority, granting rule-making authority, and making an appropriation

**Fiscal Effect**

**State:**

- No State Fiscal Effect
- Indeterminate
- Increase Existing Appropriations
- Increase Existing Revenues
- Increase Costs - May be possible to absorb within agency's budget
- Decrease Existing Appropriations
- Decrease Existing Revenues
- Yes       No
- Create New Appropriations
- Decrease Costs

**Local:**

- No Local Government Costs
  - Indeterminate
  - 1.  Increase Costs      3.  Increase Revenue
  - Permissive  Mandatory     
  Permissive  Mandatory
  - 2.  Decrease Costs      4.  Decrease Revenue
  - Permissive  Mandatory     
  Permissive  Mandatory
5. Types of Local Government Units Affected
- Towns       Village       Cities
  - Counties       Others      0
  - School Districts       WTCS Districts

**Fund Sources Affected**      **Affected Ch. 20 Appropriations**

GPR   
  FED   
  PRO   
  PRS   
  SEG   
  SEGS 20.144(1)(g)

<b>Agency/Prepared By</b>	<b>Authorized Signature</b>	<b>Date</b>
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## Fiscal Estimate Narratives

DFI 6/29/2015

LRB Number	15-0263/2	Introduction Number	AB-0272	Estimate Type	Original
<b>Description</b> Student loans, the individual income tax subtract modification for tuition and student fees, creating an authority to be known as the Wisconsin Student Loan Refinancing Authority, granting rule-making authority, and making an appropriation					

### Assumptions Used in Arriving at Fiscal Estimate

This bill requires the Department to compile data related to private student loans for the purpose of comparing private lending institutions' student loan rates and repayment plans. The information compiled is to include policies related to deferment, forbearance, and default policies and penalties.

Using the data compiled, the department is to create and maintain a list of private lending institutions that provide the lowest rates and best repayment options on student loans. The department is to create a list of the 10 best private lending institutions based on rates and policies and post on the agency's internet site. The website is to also include information about the lending institutions that provide the worst rates and strictest repayment options. The information included on the internet site is to be updated monthly.

The Department may contract with a designee or 3rd-party contractor to perform the functions identified in the bill.

The Department does not currently collect the information required or have a system in place to routinely identify and collect the information. The initial research and data collection will require on-line research and communication with potentially hundreds of lenders to obtain the necessary data. The information will need to be analyzed and evaluated to create the required lists. It is anticipated that this type of research and analysis would require an effort of 2.0 FTE advanced program and policy analysts. On an on-going basis, the monthly updates will require the continuing review of changes to policy by lenders as well as responding to questions and complaints from borrowers and lenders.

Estimated annual costs for this program include 2.0 positions, technology and on-going supplies and services for equipment, travel, telecommunications, and other costs:

2.0 FTE @ \$67,000 = \$134,000  
Fringe Benefits @ 39% = 52,300  
Technology = 20,000  
Supplies & Services = 22,000  
Total = \$228,300

It is unknown what the cost of a 3rd party contractor would be.

### Long-Range Fiscal Implications