

Fiscal Estimate - 2017 Session

Original Updated Corrected Supplemental

LRB Number **17-1490/1** Introduction Number **SB-091**

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

Local:

- No Local Government Costs
- Indeterminate
 - 1. Increase Costs Permissive Mandatory
 - 2. Decrease Costs Permissive Mandatory
 - 3. Increase Revenue Permissive Mandatory
 - 4. Decrease Revenue 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)

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Fiscal Estimate Narratives

DFI 3/9/2017

LRB Number	17-1490/1	Introduction Number	SB-091	Estimate Type	Original
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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