

Fiscal Estimate Narratives

DFI 9/27/2019

LRB Number	19-0278/2	Introduction Number	SB-444	Estimate Type	Original
Description student loans, 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 of Financial Institutions (DFI) to compile data related to private student loans for the purpose of comparing private lending institutions' student loan rates and repayment plans. 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 information included on the Internet site is to be updated monthly.

The department may contract with a designee or third-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 ongoing 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 FTE positions, technology and on-going supplies and services for equipment, travel, telecommunications, and other costs:

2.0 FTE @ \$67,000 = \$134,000
Fringe Benefits @ \$50,200
Technology = \$20,000
Supplies and Services = \$22,000
Total = \$226,200

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

Long-Range Fiscal Implications