

ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

FISCAL ESTIMATE

DOA-2048 N(R10/94)

Subject

Revocation and Nonissuance of Occupational Licenses for Student Loan Default

Fiscal Effect

State: No State Fiscal Effect

Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation.

Increase Costs - May be possible to Absorb Within Agency's Budget Yes No

- Increase Existing Appropriation Increase Existing Revenues
- Decrease Existing Appropriation Decrease Existing Revenues
- Create New Appropriation

Decrease Costs

Local: No local government costs

- 1. Increase Costs
 - Permissive Mandatory
- 2. Decrease Costs
 - Permissive Mandatory

- 3. Increase Revenues
 - Permissive Mandatory
- 4. Decrease Revenues
 - Permissive Mandatory

5. Types of Local Government Units Affected:
- Towns Villages Cities
 - Counties WTCS Districts
 - School Districts Others

Fund Sources Affected

GPR FED PRO PRS SEG SEG-S

Affected Ch. 20 Appropriations

20.370(9)(mu)

Assumptions Used in Arriving at Fiscal Estimate

SUMMARY OF BILL - This bill prohibits state agencies from issuing or renewing a professional or occupational license, permit, certificate or other credential if the individual is in default on a student loan (payment is more than 120 days past due). The department is required to notify the individual that the license will not be issued or renewed until the individual is no longer in default. Departments must take action if the individual is in default on a student loan 90 days after the notice of default is mailed to the individual.

This bill covers student loans that are "issued, insured or guaranteed by a federal or state governmental agency" (s. 440.01(1)(gs)). Loans meeting this criterion are issued by thousands of higher education institutions, banks, savings and loans, credit unions, and state agencies throughout the country. The department would need to be able to communicate with any and all of these institutions for several purposes:

- to receive initial notification of default;
- to receive updated information about payment status after the notice of default is mailed to the individual; and
- to receive updates as individuals' payment status changes from default to good standing and vice versa.

FISCAL ESTIMATE - Without knowing the approximate percentage of student loan defaulters who hold DNR occupational licenses, the cost of administering this bill cannot be estimated with any degree of confidence. To do so requires checking the names of occupational license holders against lists of student loan defaulters maintained by the U.S. Department of Education and each state's equivalent to the Wisconsin Higher Educational Aids Board. This would establish a baseline against which to estimate the costs of implementing the bill's requirements. The individuals potentially subject to this bill includes those holding the following occupational licenses:

- Fur dealer Wholesale fish dealer Taxidermist
- Bait dealer Guide Sport trolling guide
- Commercial fishing Net license Slat net license
- Trammel net license Set or bank pole license Setline license
- Clamming license Fish farm permit Fish importation permit
- Fish stocking permit Wild rice dealer Wild ginseng dealer
- Pheasant and quail farm Game bird or animal farm Fur animal farm
- Deer farm Wildlife exhibit Well driller
- Wastewater operator Septic operator Hazardous waste transporter
- Medical waste transporter

Long-Range Fiscal Implications

Agency	Prepared By	Phone No.	Authorized Signature	Phone No.	Date
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FISCAL ESTIMATE

DOA-2048 N(R10/94)

Assumptions Used in Arriving at Fiscal Estimate

To implement this bill would require at least the following tasks:

- receive, process and maintain certifications from lending institutions documenting student loan defaults;
- maintain files on individuals whose occupational licenses have been revoked or denied;
- communicate with lending institutions about the status of individuals in, or thought to be, in default; and
- handle complaints from individuals regarding revocation or denial of their occupational licenses.

These tasks could generate significant workload and support costs. In the absence of information on the number of defaulters or the resources these tasks would require, an initial estimate of 0.5-1.0 FTE appears reasonable considering the high incidence of student loan default, the great number of educational and lending institutions, and the number of occupational licenses issued by the department.

At \$12.00 per hour, 0.5-1.0 FTE would cost \$17,200-\$34,400 including fringe benefits at 37.6%. Additional funding of \$4,500-\$6,000 would be needed for training, postage, telephone, supplies and computing equipment. If needed, a department-wide database application could cost an additional \$5,000-\$10,000 to develop. The total of these costs would be somewhere between \$26,700 and \$50,400.

FISCAL ESTIMATE WORKSHEET

1999 Session

Detailed Estimate of Annual Fiscal Effect
DOA-2047 (R10/94)

ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

LRB or Bill No./Adm. Rule No. AB 725, 99-4009/1	Amendment No.
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Subject

Revocation and Nonissuance of Occupational Licenses for Student Loan Default

I. One-Time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):

II. Annualized Costs:	Annualized Fiscal impact on State funds from:	
A. State Costs by Category	Increased Costs	Decreased Costs
State Operations - Salaries and Fringes	\$17,200 - \$34,400	
(FTE Position Changes)	1.00	
State Operations - Other Costs	\$9,500 - \$16,000	
Local Assistance		
Aids to Individuals or Organizations		
TOTAL State Costs by Category	\$26,700 - \$50,400	
B. State Costs by Source of Funds	Increased Costs	Decreased Costs
GPR		
FED		
PRO/PRS		
SEG/SEG-S	\$26,700 - \$50,400	
III. State Revenues:	Increased Rev.	Decreased Rev.
<small>Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)</small>		
GPR Taxes		
GPR Earned		
FED		
PRO/PRS		
SEG/SEG-S		
TOTAL State Revenues		

NET ANNUALIZED IMPACT

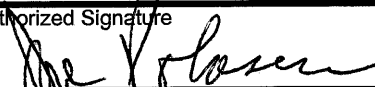
STATE

LOCAL

NET CHANGE IN COSTS

\$26,700 - \$50,400

NET CHANGE IN REVENUES

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DNR	Joe Polasek	(608) 266-2794		(608) 266-2794	02/15/2000