

FISCAL ESTIMATE
DOA-2048 N(R1298)

ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

Subject

Relating to suspension of licenses, permits and other credentials for failure to pay student loans.

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 Governmental Units Affected:
 Towns Villages Cities
 Counties Others _____
 School Districts WTCS Districts

Fund Sources Affected

GPR FED PRO PRS SEG SEG-S

Affected Ch. 20 Appropriations

Assumptions Used in Arriving at Fiscal Estimate

Key Assumptions

- AB725 would require WisDOT to deny licensing for any new applicants and suspend licensing for any of 393 commercial driving school instructors if we are notified that they have defaulted on their student loan(s).
- AB725 would require WisDOT to deny issuance of commercial driving privileges and to suspend commercial driving privileges if we are notified that the driver defaulted on their student loan(s). **Note: We suggest a technical change in Section 31, 33 and 34 of adding "cancel" to the list of licensing actions. This allows WisDOT to process licensing actions required by this bill in a consistent manner with similar existing licensing actions.**
- There are 393 commercial driving school instructors and approximately 160,000 commercial drivers.
- The number of these two groups who have defaulted on student loans is indeterminable.
- The overall default rate on student loans is less than 5%.
- The Great Lakes Higher Education Corporation (GLHEC) is the guarantor for all student loans in Wisconsin. Under current federal law, they have the ability to void professional licenses of individuals who have defaulted on the loan that led to their licensing. Currently they do not take action in these situations.
- GLHEC will provide WisDOT with notification of defaulters. WisDOT will take action based on this information.

Conclusion

- No modifications to DMV automated systems
- Indeterminable ongoing DMV workload impact for processing these 2 types of licensing actions.
- Indeterminable ongoing revenue increase from commercial drivers reinstating their privileges after satisfying default.

Basis for Conclusion

- Existing automated systems allow for processing of the automated aspects of licensing actions of these types.
- There is no way of knowing how many commercial drivers or commercial driver instructors have student loans and how many are in default. Based on the overall default rate and GLHEC's lack of licensing action in current default situations, we estimate that any workload from this bill would be minimal.
- For those cases where WisDOT takes action on commercial driver licenses, there will indeterminable revenue increase from the collection of \$50 reinstatement fees.

Long-Range Fiscal Implications

No Long-Range Fiscal Implications

Agency/Prepared by: (Name & Phone No.)
WisDOT - DMV John Alley 266 0614

Authorized Signature/Telephone No.
Roger D. Cross 266-2233

Date
2/14/2000

gacy
2/14/00

FISCAL ESTIMATE WORKSHEET

1999 Session

Detailed Estimate of Annual Fiscal Effect
DOA-2047 (R06/99)

LRB Number -4009/1	Amendment No. if Applicable
Bill Number AB725	Administrative Rule Number

ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

Subject

Suspension of licenses, permits and other credentials for failure to pay student loans.

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

None

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

NET ANNUALIZED FISCAL IMPACT

	STATE	LOCAL
NET CHANGE IN COSTS	\$ <u>Indeterminable</u>	\$ <u>None</u>
NET CHANGE IN REVENUES	\$ <u>Indeterminable</u>	\$ <u>None</u>

Prepared by: John Alley	Telephone No. 266 0614	Agency WisDOT, DMV
Authorized Signature: 	Telephone No. 266 2233	Date 2/14/2000