

Fiscal Estimate - 2009 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 09-3279/1	Introduction Number SB-525
Description Prohibiting institutions of higher education from engaging in certain activity regarding student credit cards, requiring such institutions to provide financial literacy information to students, creating requirements for credit cards issued to underage customers, granting rule-making authority, and providing a penalty	
Fiscal Effect	
State:	
<input checked="" type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate	
<input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Create New Appropriations	<input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Decrease Costs
Local:	
<input checked="" type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate	
1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory
5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts	
Fund Sources Affected	
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	
Affected Ch. 20 Appropriations	
Agency/Prepared By	Authorized Signature
EAB/ David Dies (608) 267-7733	David Dies (608) 267-7733
Date	
2/24/2010	

Fiscal Estimate Narratives
EAB 2/24/2010

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Assumptions Used in Arriving at Fiscal Estimate

This bill makes a number of changes regarding the issuance of credit cards to students who are attending an institution of higher education (IHE). Under the bill, an IHE is defined by reference to a section of the United States Code that pertains to preventing unfair and deceptive private educational lending practices, which primarily will cover those institutions eligible to participate in federal financial aid programs under Title IV of the Higher Education Act. Institutions not located in the state are excluded from the definition.

Provisions of the bill would prohibit an IHE from being compensated for credit card marketing activity that occurs on an institution's campus that is directed at students. In addition, the bill would require an IHE to provide information about financial literacy to its students on its website and, if an on-campus orientation program is offered to new students, provide the information to students during the orientation. Finally, the bill would require students to complete an online tutorial on financial literacy and prohibit an IHE from enrolling a student in a subsequent semester, quarter, or term unless the student completes the tutorial.

Of the 158 private for-profit and non-profit schools, colleges and universities regulated by the Educational Approval Board (EAB), 43 institutions would meet the definition of an IHE as defined by the bill. These 43 institutions annual enroll roughly 40,000 students.

This bill will likely have a fiscal impact on the IHEs to develop, post and maintain information about financial literacy on their websites, incorporate such information into on-campus orientation programs, and require students to complete an online financial literacy tutorial. In addition, IHEs are likely to lose some tuition revenue due to students who fail to complete the online tutorial. The EAB does not have sufficient information to determine the extent to which these changes will affect IHEs fiscally.

The bill will have no fiscal impact on the EAB.

Long-Range Fiscal Implications