

2019 DRAFTING REQUEST

Bill

For: **Administration-Budget 6-2843** Drafter: **agary**
 By: **Mott** Secondary Drafters:
 Date: **2/12/2019** May Contact:

Same as LRB:

Submit via email: **YES**
 Requester's email:
 Carbon copy (CC) to: **DOASBOStatLanguage@wisconsin.gov**
aaron.gary@legis.wisconsin.gov
mark.kunkel@legis.wisconsin.gov

Pre Topic:

DOA:.....Mott, BB0349 -

Topic:

Student loan refinancing study

Instructions:

See attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	agary 2/13/2019				
/P1	agary 2/15/2019	aernstr 2/16/2019	dwalker 2/14/2019		
/1			chanaman 2/17/2019		State

FE Sent For: **<END>**

Gary, Aaron

From: Hanaman, Cathlene
Sent: Tuesday, February 12, 2019 4:53 PM
To: Kunkel, Mark; Gary, Aaron
Subject: FW: Statutory Language Drafting Request - 2019-21

From: Mott, Amanda L - DOA <AmandaL.Mott@wisconsin.gov>
Sent: Tuesday, February 12, 2019 4:49 PM
To: Hanaman, Cathlene <Cathlene.Hanaman@legis.wisconsin.gov>
Cc: Hynek, Sara - DOA <Sara.Hynek@wisconsin.gov>; Mott, Amanda L - DOA <AmandaL.Mott@wisconsin.gov>
Subject: Statutory Language Drafting Request - 2019-21

Biennial Budget: 2019-21

Topic: Student Loan Refinancing Study

Tracking Code: BB0349

SBO Team: EWD

SBO Analyst: Mott, Amaanda
Phone: 608-266-2843
E-mail: amandal.mott@wisconsin.gov

Agency Acronym: 235

Agency Number: 235

Priority: Low

Intent:

The Governor recommends the creation of an advisory group to study the creation of an appropriate bonding authority for the refinancing of student loans in the state in order to ease the burden of student loan debt for Wisconsin residents. The advisory group will consist of the secretary of the Department of Financial Institutions, the State Treasurer, and the executive secretary of the Higher Educational Aids Board, and must provide a report to the Governor and applicable standing committees of the Legislature by October 1, 2020. The report shall include recommendations regarding the corporate and legal structure of the refinancing entity (including governance), a profile of the loan portfolio, projected startup and operational costs, estimated staffing needs, underwriting requirements, and other information pertinent to the creation of an entity that can offer interest rate savings to Wisconsin student loan debtors.

Attachments: False

Please send completed drafts to SBOSatlanguage@spsmail.enterprise.wisstate.us



State of Wisconsin
2019 - 2020 LEGISLATURE

LRB-1988/P1

ARG: A

in 2/13

ahc

DOA:.....Mott, BB0349 - Student loan refinancing study

FOR 2019-2021 BUDGET -- NOT READY FOR INTRODUCTION

no gen

1 AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

EDUCATION

HIGHER EDUCATION

1. Student Loan Refinancing Study Committee

This bill creates the Student Loan Refinancing Study Committee consisting of the DFI Secretary, the State Treasurer, and the Executive Secretary of HEAB. The committee's purpose is to study the creation of a bonding authority for the refinancing of student loans to ease the student loan debt burden. The committee must submit a report to the governor and legislature that includes 1) recommendations regarding the corporate and legal structure of the refinancing entity, including governance; and 2) a profile of the loan portfolio, projected costs, estimated staffing needs, underwriting requirements, and other information pertinent to the creation of a financing entity that offers interest rate savings to student loan debtors.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

2 SECTION 9151. Nonstatutory provisions; Other.

1 (1) STUDENT LOAN REFINANCING STUDY COMMITTEE.

2 (a) There is created the student loan refinancing study committee to study the
3 creation of a bonding authority for the refinancing of student loans in this state in
4 order to ease the burden of student loan debt for this state's residents.

5 (b) The student loan refinancing study committee shall consist of the following
6 members:

- 7 1. The secretary of financial institutions.
- 8 2. The state treasurer.
- 9 3. The executive secretary of the higher educational aids board.

10 (c) No later than October 1, 2020, the student loan refinancing study committee
11 shall submit to the governor and to the chief clerk of each house of the legislature,
12 for distribution to the appropriate standing committees under s. 13.172 (3), a report
13 that includes all of the following:

- 14 1. Recommendations regarding the corporate and legal structure of the
15 refinancing entity, including governance.
- 16 2. A profile of the loan portfolio, projected startup and operational costs,
17 estimated staffing needs, underwriting requirements, and other information
18 pertinent to the creation of a refinancing entity that can offer interest rate savings
19 to this state's student loan debtors.

20 (d) The student loan refinancing study committee terminates upon the
21 submission of the report under paragraph (c).

22 (END)

par.
par.



2/15

LRB - 1988

file from Mandy Mott

- at 2-3, add "and administration" after creation



State of Wisconsin
2019 - 2020 LEGISLATURE

LRB-1988/P
ARG:ahe

DOA:.....Mott, BB0349 - Student loan refinancing study

FOR 2019-2021 BUDGET -- NOT READY FOR INTRODUCTION

no gen

1 AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

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HIGHER EDUCATION

and administration

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19 to this state's student loan debtors.

20 (d) The student loan refinancing study committee terminates upon the
21 submission of the report under par. (c).

22 (END)

Gary, Aaron

From: Hynek, Sara - DOA
Sent: Saturday, February 16, 2019 8:00 AM
To: Gary, Aaron
Cc: Mott, Amanda L - DOA
Subject: Re: LRB 1988

Excuse me, 144(1)(g)!

From: Hynek, Sara - DOA
Sent: Saturday, February 16, 2019 7:59:31 AM
To: Gary, Aaron - LEGIS
Cc: Mott, Amanda L - DOA
Subject: Re: LRB 1988

Also, could we note that administrative expenses related to the study shall be paid by DFI out of 20.445(1)(g), up to \$50,000?

From: Hynek, Sara - DOA
Sent: Saturday, February 16, 2019 7:25:40 AM
To: Gary, Aaron - LEGIS
Cc: Mott, Amanda L - DOA
Subject: LRB 1988

Hi Aaron - I think Mandy already sent you one change on this draft (student loan refi), but we've got one more. Could you add as another item the committee is required to report on something like the following:

the feasibility of and options for offering protections to borrowers (from the authority? borrowers participating in the program? not sure how to phrase that) similar to those under federal student loan programs.

Thanks Aaron!

Sara



State of Wisconsin
2019 - 2020 LEGISLATURE

LRB-1988/1
ARG:ahc

in sat.
2/16

TWLj
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keep
as //

DOA:.....Mott, BB0349 - Student loan refinancing study

FOR 2019-2021 BUDGET -- NOT READY FOR INTRODUCTION

1 AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

EDUCATION

HIGHER EDUCATION

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X

X →

Insert ANAC

FE-S

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

2 SECTION 9151. Nonstatutory provisions; Other.

SECTION 9151

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3 creation and administration of a bonding authority for the refinancing of student
4 loans in this state in order to ease the burden of student loan debt for this state's
5 residents.

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7 members:

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20 to this state's student loan debtors.

21 *e* (d) The student loan refinancing study committee terminates upon the
22 submission of the report under par. (c).

23 (END)

**2019-2020 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-1988/lins
ARG:...

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INSERT ANAL:

(1/10 PR) ; and 3) an assessment of the feasibility of and options for offering borrower protections similar to those under federal student loan programs

INSERT 2-20:

3. An assessment of the feasibility of and options for offering protections to borrowers refinancing student debt through the refinancing entity that are similar to the protections under federal student loan programs.

(d) The department of financial institutions shall pay the administrative expenses of the student loan refinancing study committee, not exceeding a total of \$50,000, from the appropriation account under s. 20.144 (1) (g).



State of Wisconsin
2019 - 2020 LEGISLATURE

LRB-1988/1
ARG:ahe&wj

DOA:.....Mott, BB0349 - Student loan refinancing study

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For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

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21 to this state's student loan debtors.
- 22 3. An assessment of the feasibility of and options for offering protections to
23 borrowers refinancing student debt through the refinancing entity that are similar
24 to the protections under federal student loan programs.

