

Fiscal Estimate - 2023 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 23-4467/1	Introduction Number AB-0948
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Description
 student loans for postsecondary education, requirements related to student loan servicers, creating an office of the student loan ombudsman in the Department of Financial Institutions, and granting rule-making authority

Fiscal Effect

State:

<input type="checkbox"/> No State Fiscal Effect	<input type="checkbox"/> Increase Existing Revenues	<input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<input type="checkbox"/> Indeterminate	<input type="checkbox"/> Decrease Existing Revenues	
<input type="checkbox"/> Increase Existing Appropriations		<input type="checkbox"/> Decrease Costs
<input type="checkbox"/> Decrease Existing Appropriations		
<input type="checkbox"/> Create New Appropriations		

Local:

<input type="checkbox"/> No Local Government Costs	5. Types of Local Government Units Affected	
<input type="checkbox"/> Indeterminate		
1. <input type="checkbox"/> Increase Costs	3. <input type="checkbox"/> Increase Revenue	<input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Counties <input type="checkbox"/> Others <u>0</u>
2. <input type="checkbox"/> Decrease Costs	4. <input type="checkbox"/> Decrease Revenue	<input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	

Fund Sources Affected	Affected Ch. 20 Appropriations
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input checked="" type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.144(1)(g)	

Agency/Prepared By	Authorized Signature	Date
DFI/ Michael Trepanier (608) 572-4914	Michael Trepanier (608) 572-4914	1/16/2024

Fiscal Estimate Narratives

DFI 1/16/2024

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Assumptions Used in Arriving at Fiscal Estimate

If enacted, this bill would create the Office of the Student Loan Ombudsman within the Department of Financial Institutions. The Office would be responsible for licensing student loan servicers, examining their compliance with applicable law, investigating violations and complaints against them, and – if necessary – commencing administrative proceedings to enforce the law and protect Wisconsin borrowers.

The Department of Financial Institutions already performs similar licensing, investigation, and enforcement functions for the purpose of financial regulation in other contexts, and therefore it anticipates that some needs of the proposed Office (such as legal advice and technical assistance) can be met with existing staff. To meet day-to-day responsibilities under the bill, however, the Department anticipates the need to add two staff positions dedicated to serving the Office: an Administrative Manager and an Agency Liaison. The Department estimates that the combined compensation, fringe benefits, and supplies/services for those two additional positions will total \$214,000 annually.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2023 Session

Detailed Estimate of Annual Fiscal Effect

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Description student loans for postsecondary education, requirements related to student loan servicers, creating an office of the student loan ombudsman in the Department of Financial Institutions, and granting rule-making authority		
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 funds from:	
	Increased Costs Decreased Costs	
A. State Costs by Category		
State Operations - Salaries and Fringes	\$174,000	\$
(FTE Position Changes)	(2.0 FTE)	
State Operations - Other Costs	40,000	
Local Assistance		
Aids to Individuals or Organizations		
TOTAL State Costs by Category	\$214,000	\$
B. State Costs by Source of Funds		
GPR		
FED		
PRO/PRS	214,000	
SEG/SEG-S		
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)		
	Increased Rev	Decreased Rev
GPR Taxes	\$	\$
GPR Earned		
FED		
PRO/PRS		
SEG/SEG-S		
TOTAL State Revenues	\$	\$
NET ANNUALIZED FISCAL IMPACT		
	<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS	\$214,000	\$
NET CHANGE IN REVENUE	\$	\$
Agency/Prepared By Authorized Signature Date		
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