

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301  
Indianapolis, IN 46204  
(317) 233-0696  
<http://www.in.gov/legislative>

**FISCAL IMPACT STATEMENT**

**LS 6646**

**BILL NUMBER:** HB 1042

**NOTE PREPARED:** Mar 25, 2015

**BILL AMENDED:** Feb 2, 2015

**SUBJECT:** Education Loan Information.

**FIRST AUTHOR:** Rep. Cox

**FIRST SPONSOR:** Sen. A. Banks

**BILL STATUS:** Enrolled

**FUNDS AFFECTED:**  GENERAL  
 DEDICATED  
 FEDERAL

**IMPACT:** State

**Summary of Legislation:** This bill requires a postsecondary educational institution that enrolls students who receive state financial aid to annually provide each student with certain information concerning the student's education loans. It provides that an eligible institution does not incur liability for any information provided to students.

**Effective Date:** July 1, 2015.

**Explanation of State Expenditures:** State education institutions could incur some additional costs associated with reporting annually a student's education loan information. The report would include:

1. An estimate of the total amount of the student's education loans.
2. An estimate of the potential total payoff amount of the education loans incurred or a range of the total payoff amount.
3. An estimate of the monthly repayment amount that a similarly situated borrower may incur, including principal and interest, for the amount of the loans the student has taken out.
4. The percentage of the borrowing limit the student has reached.

The cost is probably minor and could probably be funded with current resources.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** State educational institutions.

**Local Agencies Affected:**

**Information Sources:**

**Fiscal Analyst:** Chuck Mayfield, 317-232-4825.

PREPARED BY: Kathy Tenopir  
 DATE PREPARED: January 15, 2016  
 PHONE: 471-0058

**LB 726**

Revision: 00

**FISCAL NOTE**  
**LEGISLATIVE FISCAL ANALYST ESTIMATE**

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2016-17</b>		<b>FY 2017-18</b>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

**Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.**

LB726 requires public postsecondary educational institutions to provide certain information to students prior to the student accepting a federal education loan.

There fiscal impact appears to be minimal.

<b>ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSES</b>			
LB:726	AM:	AGENCY/POLT. Nebraska Community College Association	
REVIEWED BY: James Van Bruggen		DATE: 1/14/16	PHONE: 471-4179
COMMENTS: There is no basis to disagree with the information provided by the Nebraska Community College Association.			

<b>ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSES</b>			
LB:726	AM:	AGENCY/POLT. University of Nebraska	
REVIEWED BY: James Van Bruggen		DATE: 1/13/16	PHONE: 471-4179
COMMENTS: There is no basis to disagree with the information provided by University of Nebraska.			

Please complete ALL (5) blanks in the first three lines.

**2016**

**LB<sup>(1)</sup> 726**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> University of Nebraska

Prepared by: <sup>(3)</sup> Michael Justus Date Prepared: <sup>(4)</sup> 01/12/2016 Phone: <sup>(5)</sup> 402-472-2191

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2016-17</u>		<u>FY 2017-18</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

**Explanation of Estimate:**

LB 726 relating to student loans has minimal fiscal impact, as the University has already implemented all but one of the requirements by publishing information on each student's self-service portal. The one item in the bill not in production is already in planning.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2016-17</u>	<u>2017-18</u>
	<u>16-17</u>	<u>17-18</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

Please complete ALL (5) blanks in the first three lines.

**2016**

**LB<sup>(1)</sup> 726**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup>

Nebraska Community College Association

Prepared by: <sup>(3)</sup> Dennis Baack

Date Prepared: <sup>(4)</sup> January 14, 2016

Phone: <sup>(5)</sup> 402-471-4685

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2016-17</u>		<u>FY 2017-18</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
<b>TOTAL FUNDS</b>	=====	=====	=====	=====

**Explanation of Estimate:**

There may be some minor expenditures for software adjustments as most of this information is already available for students. It does not appear to have major impact on existing resources.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2016-17 EXPENDITURES</u>	<u>2017-18 EXPENDITURES</u>
	<u>16-17</u>	<u>17-18</u>		
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
<b>TOTAL.....</b>	_____	_____	_____	_____

Please complete ALL (5) blanks in the first three lines.

**2016**

**LB<sup>(1)</sup> 726**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup>

Nebraska State College System (NSCS)

Prepared by: <sup>(3)</sup> Carolyn Murphy

Date Prepared: <sup>(4)</sup> 01/13/2016

Phone: <sup>(5)</sup> 402-471-2505

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2016-17</u>		<u>FY 2017-18</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>Minimal</u>	<u>_____</u>	<u>Minimal</u>	<u>_____</u>

**Explanation of Estimate:**

LB726 requires the provision of information to students related to their federal student loans on an annual basis. Chadron State, Peru State, and Wayne State Colleges have already been working on the system improvements necessary to meet these requirements, in partnership with the University of Nebraska. The NSCS believes the impact remaining to meet the requirements of this bill will be minimal.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2016-17</u>	<u>2017-18</u>
	<u>16-17</u>	<u>17-18</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

### Fiscal Estimate - 2015 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> <b>15-4053/1</b>	<b>Introduction Number</b> <b>AB-0744</b>
<b>Description</b> Requiring institutions of higher education to provide information to students relating to educational costs and financial literacy	
<b>Fiscal Effect</b>	
<b>State:</b>	
<input type="checkbox"/> No State Fiscal Effect <input checked="" 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
<b>Local:</b>	
<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	
<b>Fund Sources Affected</b>	
<input checked="" type="checkbox"/> GPR <input type="checkbox"/> FED <input checked="" type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	
<b>Affected Ch. 20 Appropriations</b>	
<b>Agency/Prepared By</b>	<b>Authorized Signature</b>
UWS/ Adam Pfost (608) 262-4836	Freda Harris (608) 262-2734
<b>Date</b>	
1/27/2016	

## Fiscal Estimate Narratives

UWS 1/27/2016

LRB Number	<b>15-4053/1</b>	Introduction Number	<b>AB-0744</b>	Estimate Type	<b>Original</b>
<b>Description</b> Requiring institutions of higher education to provide information to students relating to educational costs and financial literacy					

### Assumptions Used in Arriving at Fiscal Estimate

2015 AB 744 requires institutions of higher education in Wisconsin to annually provide a letter to students that includes the following information:

1. Information about each loan received by the student as part of the financial aid package.
2. The estimated total cost of attendance for the academic year.
3. The cumulative amount of financial aid that the student received through the financial aid package from state grants, federal grants, and institutional grants.
4. Identification of resources to learn more about student loans and financial literacy.

The bill specifies that the letter should be electronically transmitted, if possible.

Additionally, institutions must provide information on financial literacy to students within the first semester of enrollment.

It is unknown how much system design and programming will be required to merge the student-specific data required by the bill into a single document that can be transmitted electronically. Additional evaluation of the information systems across UW institutions is needed to create a reasonable estimate.

### Long-Range Fiscal Implications



### Fiscal Estimate - 2015 Session

Original                   Updated                   Corrected                   Supplemental

<b>LRB Number</b> 15-4053/1		<b>Introduction Number</b> AB-0744
<b>Description</b> Requiring institutions of higher education to provide information to students relating to educational costs and financial literacy		
<b>Fiscal Effect</b>		
<b>State:</b>		
<input checked="" type="checkbox"/> No State Fiscal Effect		
<input type="checkbox"/> Indeterminate		
<input type="checkbox"/> Increase Existing Appropriations	<input type="checkbox"/> Increase 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 Existing Appropriations	<input type="checkbox"/> Decrease Existing Revenues	
<input type="checkbox"/> Create New Appropriations		<input type="checkbox"/> Decrease Costs
<b>Local:</b>		
<input checked="" type="checkbox"/> No Local Government Costs		
<input type="checkbox"/> Indeterminate		
1. <input type="checkbox"/> Increase Costs	3. <input type="checkbox"/> Increase Revenue	5. Types of Local Government Units Affected
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
2. <input type="checkbox"/> Decrease Costs	4. <input type="checkbox"/> Decrease Revenue	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
<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	
<b>Fund Sources Affected</b>		<b>Affected Ch. 20 Appropriations</b>
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS		
<b>Agency/Prepared By</b>	<b>Authorized Signature</b>	<b>Date</b>
HEAB/ Sherrie Nelson (608) 267-2944	Sherrie Nelson (608) 267-2944	1/21/2016

## Fiscal Estimate Narratives

HEAB 1/21/2016

LRB Number	<b>15-4053/1</b>	Introduction Number	<b>AB-0744</b>	Estimate Type	<b>Original</b>
<b>Description</b> Requiring institutions of higher education to provide information to students relating to educational costs and financial literacy					

### Assumptions Used in Arriving at Fiscal Estimate

This bill requires institutions of higher education to provide full disclosure to students attending their institutions of the total cost of their education prior to the academic year of which they are attending.

### Long-Range Fiscal Implications

### Fiscal Estimate - 2015 Session

Original       Updated       Corrected       Supplemental

**LRB Number** 15-4053/1      **Introduction Number** AB-0744

**Description**  
Requiring institutions of higher education to provide information to students relating to educational costs and financial literacy

**Fiscal Effect**

**State:**

- No State Fiscal Effect
- Indeterminate
  - Increase Existing Appropriations
  - Decrease Existing Appropriations
  - Create New Appropriations
- Increase Existing Revenues
- Decrease Existing Revenues
- Increase Costs - May be possible to absorb within agency's budget
  - Yes
  - No
- Decrease Costs

**Local:**

- No Local Government Costs
- Indeterminate
  - 1.  Increase Costs
    - Permissive
    - Mandatory
  - 2.  Decrease Costs
    - Permissive
    - Mandatory
  - 3.  Increase Revenue
    - Permissive
    - Mandatory
  - 4.  Decrease Revenue
    - Permissive
    - Mandatory
- 5. Types of Local Government Units Affected
  - Towns
  - Villages
  - Cities
  - Counties
  - Others
  - School Districts
  - WTCS Districts

**Fund Sources Affected**

**Affected Ch. 20 Appropriations**

- GPR    FED    PRO    PRS    SEG    SEGS

**Agency/Prepared By**

**Authorized Signature**

**Date**

WTCS/ Nancy Merrill (608) 267-9514

James Zylstra (608) 266-1739

1/20/2016

## Fiscal Estimate Narratives

WTCS 1/20/2016

LRB Number	15-4053/1	Introduction Number	AB-0744	Estimate Type	Original
<b>Description</b> Requiring institutions of higher education to provide information to students relating to educational costs and financial literacy					

### Assumptions Used in Arriving at Fiscal Estimate

AB 744 requires WTCS colleges (and all other Wisconsin higher education institutions that awards associate degrees or higher) to provide information intended to increase student awareness of their cost of education and the student loan debt they may be incurring as part of attending college.

WTCS colleges already annually provide information to students on financial aid they are being awarded for the upcoming year and will likely be able to modify this information to include more cumulative loan and estimated repayment data to students. Colleges are already required to provide information on cost of attendance (usually through college websites) but may need to change how they are sharing this information with students to comply with AB 744.

Colleges also must make financial literacy information to newly-entering students but should be able to use existing tools that already provide this.

WTCS colleges will likely incur some minor costs in developing new communication or modifying existing communications to provide the annual information required to students. It also be important to note that the information on cumulative debt and estimated payments will be estimates that may be subject to change based on changing student status (such as taking advantage of available loan repayment options) or interest rates.

### Long-Range Fiscal Implications

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 5022 S SB PL	<b>Title:</b> Education loan information
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## Estimated Cash Receipts

NONE

## Estimated Expenditures

Agency Name	2017-19			2019-21			2021-23		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Department of Licensing	.0	0	0	.0	0	0	.0	0	0
Student Achievement Council	.0	0	0	.0	0	0	.0	0	0
Workforce Training and Education Coordinating Board	.1	22,000	22,000	.0	0	0	.0	0	0
University of Washington	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Washington State University	.1	11,600	11,600	.0	4,600	4,600	.0	4,600	4,600
Eastern Washington University	.1	12,625	12,625	.0	0	0	.0	0	0
Central Washington University	Non-zero but indeterminate cost and/or savings. Please see discussion.								
The Evergreen State College	.2	30,728	30,728	.2	21,728	21,728	.2	21,728	21,728
Western Washington University	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Community and Technical College System	.0	100,000	100,000	.0	0	0	.0	0	0
<b>Total</b>	<b>0.5</b>	<b>\$176,953</b>	<b>\$176,953</b>	<b>0.2</b>	<b>\$26,328</b>	<b>\$26,328</b>	<b>0.2</b>	<b>\$26,328</b>	<b>\$26,328</b>

## Estimated Capital Budget Impact

NONE

<b>Prepared by:</b> Breann Boggs, OFM	<b>Phone:</b> (360) 902-0563	<b>Date Published:</b> Final 4/19/2017
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\* See Office of the Administrator for the Courts judicial fiscal note

\*\* See local government fiscal note

FNPID: 48816

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 5022 S SB PL	<b>Title:</b> Education loan information	<b>Agency:</b> 240-Department of Licensing
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## Part I: Estimates

**No Fiscal Impact**

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.*

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 04/13/2017
Agency Preparation: Sieng Bonham	Phone: 360-902-3932	Date: 04/14/2017
Agency Approval: Dan Weeks	Phone: (360) 902-0147	Date: 04/14/2017
OFM Review: Jim Albert	Phone: (360) 902-0419	Date: 04/17/2017

## Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

*Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.*

The amendments will have the following impacts:

- Requires the educational institutions to provide students the notification about their student loans via email with the additional options of in writing, other electronic format, or in person. (Note: educational institutions includes schools as defined in RCW 18.16.020.)
- Does not change Department of Licensing's (DOL) financial impact, reporting form to be created with the State Board for Community & Technical Colleges (SBCTC) and the workforce training and education coordinating board.

Substitute Version Effect:

No fiscal impact. The substitute bill makes amendments to the definition of 'student education loan' and provides other clarifying information related to the information educational institutions (to include Cosmetology schools) are required to provide students. These changes will ultimately change the reporting form DOL, Workforce Training and Education Coordinating Board (WTECB), and SBCTC are to create together but it should not change DOL's overall involvement.

Requires higher education institutions, certain private vocational schools, and schools as defined in RCW 18.16.020 (cosmetology, hair design, barbering, esthetics, master esthetics, and manicuring) to provide students information related to their student loans whenever a new financial aid package including student loans is awarded. Requires DOL, the Student Achievement Council (SAC), and the WTECB to report to the Legislature on the compliance of the institutions in providing the loan information.

No system programming needed. The DOL can use existing resources for the additional audit step to the current process.

### II. B - Cash receipts Impact

*Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.*

### II. C - Expenditures

*Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.*

## Part III: Expenditure Detail

## Part IV: Capital Budget Impact

## Part V: New Rule Making Required

*Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.*

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 5022 S SB PL	<b>Title:</b> Education loan information	<b>Agency:</b> 340-Student Achievement Council
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## Part I: Estimates

**No Fiscal Impact**

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.*

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 04/13/2017
Agency Preparation: Becky Thompson	Phone: 360-753-7840	Date: 04/19/2017
Agency Approval: Don Bennett	Phone: 360-753-7810	Date: 04/19/2017
OFM Review: Breann Boggs	Phone: (360) 902-0563	Date: 04/19/2017



## Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

*Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.*

Section 2 requires degree-granting institutions (RCW 28B.10.016 and RCW 28B.85.010), private vocational schools (RCW 28BC.10.020), or other schools including cosmetology, hair design, and barbering (RCW 18.16.020) to provide information on loan borrowing to students via email, in writing, or in person when a loan is awarded or revised. Information provided must include: total loan amount borrowed; estimated total payoff; monthly repayment; percent of borrowing limit reached; differences between types of student loans; and information about borrower resources.

This version, like SSB 5022, differs from SB 5022 in that the Washington Student Achievement Council (WSAC) would not be involved in the development or collection of the compliance form so the bill has no fiscal impact for WSAC.

### II. B - Cash receipts Impact

*Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.*

### II. C - Expenditures

*Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.*

## Part III: Expenditure Detail

## Part IV: Capital Budget Impact

## Part V: New Rule Making Required

*Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.*

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 5022 S SB PL	<b>Title:</b> Education loan information	<b>Agency:</b> 354-Workforce Training and Education Coordinating Board
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**Part I: Estimates**

**No Fiscal Impact**

**Estimated Cash Receipts to:**

NONE

**Estimated Expenditures from:**

	FY 2018	FY 2019	2017-19	2019-21	2021-23
FTE Staff Years	0.2	0.0	0.1	0.0	0.0
<b>Account</b>					
General Fund-State      001-1	22,000	0	22,000	0	0
<b>Total \$</b>	22,000	0	22,000	0	0

**Estimated Capital Budget Impact:**

NONE

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.*

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 04/13/2017
Agency Preparation: Wendy Tang	Phone: 3607094628	Date: 04/19/2017
Agency Approval: Glena Red Elk	Phone: 360-709-4620	Date: 04/19/2017
OFM Review: Breann Boggs	Phone: (360) 902-0563	Date: 04/19/2017

## Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

*Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.*

Section 2(8) requires the Student Achievement Council (WSAC), Workforce Board (Board) and the Department of Licensing (DOL) to develop a form for educational institutions, as defined in Section 2(1), to annually report compliance with the provisions outlined in Section 2, subsections 2-5. It is expected that physical examination of a random sample of student files to verify reporting compliance in Section 2(8) can occur during school site visits and inspections.

Section 2(9) requires the Board to report biannually to the legislature on the compliance of all educational institutions with the provisions of the bill.

### II. B - Cash receipts Impact

*Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.*

None.

### II. C - Expenditures

*Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.*

The agency will see an increased workload from this legislation in FY18 to implement Section 2, including (1) developing the reporting form for schools to submit the Board to report compliance; (2) amending the WAC through the public rulemaking process; and (3) technical assistance and training of schools on the new compliance requirements.

The Board estimates that implementation of the Board's responsibilities in Section 2 of the bill will require a .2 FTE in FY18, divided equally between a 0.1 Administrative Assistant 3 position and a 0.1 Vocational Education Program Specialist, at a cost of \$22,000.

The biannual report required in Section 2(9) would likely require less than 10 hours of work of Board staff every two years, and can be absorbed within existing duties.

### Part III: Expenditure Detail

#### III. A - Expenditures by Object Or Purpose

	FY 2018	FY 2019	2017-19	2019-21	2021-23
FTE Staff Years	0.2		0.1		
A-Salaries and Wages	11,000		11,000		
B-Employee Benefits	4,000		4,000		
C-Professional Service Contracts					
E-Goods and Other Services	5,000		5,000		
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements	2,000		2,000		
9-					
<b>Total:</b>	\$22,000	\$0	\$22,000	\$0	\$0

#### III. B - Detail: List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA

Job Classification	Salary	FY 2018	FY 2019	2017-19	2019-21	2021-23
Admin Assistant 3	42,492	0.1		0.1		
Vocational Education Program	63,036	0.1		0.1		
Specialist						
<b>Total FTE's</b>	105,528	0.2		0.1		0.0

### Part IV: Capital Budget Impact

None.

### Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

Section 2(8) requires the Board to update agency rules to include the required information on student loans that schools must provide to students and annual reporting requirements. The affected rules are WAC 490-105-040 for initial school licensing, and 490-105-041 for annual licensing renewal requirements.

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 5022 S SB PL	<b>Title:</b> Education loan information	<b>Agency:</b> 360-University of Washington
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**Part I: Estimates**

**No Fiscal Impact**

**Estimated Cash Receipts to:**

NONE

**Estimated Expenditures from:**

**Non-zero but indeterminate cost. Please see discussion.**

**Estimated Capital Budget Impact:**

NONE

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.*

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 04/13/2017
Agency Preparation: Sharyl Morris	Phone: 2065434679	Date: 04/18/2017
Agency Approval: Becka Johnson Poppe	Phone: 206-616-7203	Date: 04/18/2017
OFM Review: Breann Boggs	Phone: (360) 902-0563	Date: 04/19/2017

## Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

*Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.*

5022 S SB.PL does not differ from its predecessor in any way that would have an additional fiscal impact on the University of Washington; thus, we are returning the same fiscal note for this version of the bill.

5022 S SB.PL, Sec. 2 establishes the Washington student loan transparency act. This section indicates that subject to the availability of amounts appropriated for this specific purpose, the University of Washington must provide students who have applied for student financial aid a notification including the following information about the student education loans the educational institution has certified:

- 1) Estimates, based on information available at the time the notification is provided, of the following:
  - a) The total amount of student education loans taken out by the student;
  - b) The potential total payoff amount of the education loans incurred or a range of the total payoff amount, including principal and interest;
  - c) The monthly repayment amounts that the student may incur for the amount of student education loans the student has taken out, based on the federal loan repayment plan borrowers are automatically enrolled in if they do not select an alternative repayment plan; and
  - d) The percentage of the aggregate federal direct loan borrowing limit applicable to the student's program of study that the student has reached at the time the information is sent to the student.
- 2) Consumer information about the differences between private student loans and federal student loans, including the availability of income-based repayment plans and loan forgiveness programs for federal loans.
- 3) A statement that the estimates and ranges provided are general in nature, and not meant as a guarantee or promise of the actual projected amount.
- 4) A statement that a variety of repayment plans are available for federal student loans that may limit the monthly repayment amount based on income.
- 5) Information about how to access resources for student loan borrowers provided by federal or state agencies.

The UW must provide the notification required in subsection (2) of this section via email; in addition, the notice may be provided in writing, in an electronic format, or in person. The UW would need to begin providing this information by July 1, 2018, each time that a financial aid package that includes a new or revised student education loan is offered to the student. Beginning December 1, 2019, and biannually thereafter until December 25, 2025, the UW would also need to report compliance to the legislature. It is assumed this could be accomplished through the already established annual state aid renewal process.

### II. B - Cash receipts Impact

*Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.*

### II. C - Expenditures

*Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.*

Across the University of Washington's three campuses (Seattle, Bothell and Tacoma), there are approximately 32,000 students who currently receive financial aid, with about 20,000 of that number receiving loans each year. Each time that a new financial aid package including loans is offered, Sec. 2 of 5022 S SB.PL would require that the UW provide each of its financial aid students a notification with information about the loans that the

university has certified. For the purposes of this fiscal note, it is assumed that the UW would use a very basic repayment calculation with one standard repayment term and one set interest rate (although each loan has different rates and terms), and that the notification would be sent by email.

It is estimated that it would take approximately 200 hours for UW Internet Technology developer staff to: (1) match relevant data from the UW's student data base with data from the federal system in order to calculate repayment and payoff amounts, (2) design the email to students, and (3) automate the process so that a notice is sent whenever the students' loan amounts are revised. In addition, another estimated 200 hours of Office of Student Financial Aid coordinator staff time would be needed to work on the design, develop the email text, and test the final product. This results in approximately 400 hours total between UWIT and OSFA staff. The professional staff that would be tasked with these processes earn an average of \$50/hour, plus benefits of 32.4%, which results in an estimated total of \$26,480 in implementation costs (\$20,000 in salary; \$6,480 in benefits). As the bill indicates that institutions must begin providing these notifications on July 1, 2018, these system implementation costs have been placed in FY2018 (see outline of costs, below).

In addition to implementing the process, UW would need to update its systems as the government makes updates to its loan program, which would require an estimated 30 additional hours between UWIT and OSFA staff in future years (again, averaging \$50/hour in salary plus benefits of 32.4%). These future costs come to approximately \$1,986/year (\$1,500 in salary; \$486 in benefits). It is assumed that an update would not need to occur before the start of FY2020; thus, these expenditures are expected to first occur in FY2020 and continue in following years (see outline of costs, below).

Given that the estimates will be very general (i.e. not precisely customized for each student's circumstances), the information provided under this bill could conceivably result in additional time spent by UW's financial aid counselors. We expect those counselors may need to answer questions from students about the estimates and amounts provided, including how they are calculated and why they may differ from other calculations that the student may have received (e.g. the federal calculation). Although 5022 S SB.PL instructs institutions to use general estimates and ranges and provide a statement to the student indicating as much, the less precise the notification to the student, the more costly the student counseling time may be.

This fiscal note is ultimately indeterminate as it is unknown how many students would seek out financial aid counseling as a result of the information provided under this bill. It is also unknown how much time would be required to counsel each of those students. For the purposes of this fiscal note, we estimate that 30% of the UW's repeat financial aid recipients (or, 6,000 students out of 20,000) would need additional counseling time of 20 minutes each (on average) each time they received a new notification. We know that the UW's average salary for financial aid counselors is \$26/hour, plus benefits of 32.4%. Thus, under this estimate, counseling costs would be approximately \$68,874/year (\$52,020 in salary; \$16,854 in benefits). As 5022 S SB.PL instructs that institutions must begin providing these notifications on July 1, 2018, these expenditures are expected to first occur in FY2019 and continue in following years (see outline of costs, below).

To sum up, the passage of 5022 S SB.PL would result in the following estimated costs to UW:

FY2018 (system implementation costs)

Salary (UWIT developers/OSFA coordinators): \$20,000

Benefits (UWIT developers/OSFA coordinators): \$6,480

Total: \$26,480

FY2019 (annual counselor time)

Salary (Counselors): \$52,020  
Benefits (Counselors) \$16,854  
Total: \$68,874

FY2020 – ONWARD (annual system updates and annual counselor time)

Salary (UWIT developers/OFSA coordinators): \$1,500  
Benefits (UWIT developers/OFSA coordinators): \$486  
Salary (Counselors): \$52,020  
Benefits (Counselors) \$16,854  
Total: \$70,860

### **Part III: Expenditure Detail**

### **Part IV: Capital Budget Impact**

### **Part V: New Rule Making Required**

*Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.*



# Individual State Agency Fiscal Note

<b>Bill Number:</b> 5022 S SB PL	<b>Title:</b> Education loan information	<b>Agency:</b> 365-Washington State University
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**Part I: Estimates**

**No Fiscal Impact**

**Estimated Cash Receipts to:**

NONE

**Estimated Expenditures from:**

	FY 2018	FY 2019	2017-19	2019-21	2021-23
FTE Staff Years	0.1	0.0	0.1	0.0	0.0
<b>Account</b>					
General Fund-State      001-1	9,300	2,300	11,600	4,600	4,600
<b>Total \$</b>	9,300	2,300	11,600	4,600	4,600

**Estimated Capital Budget Impact:**

NONE

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.*

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 04/13/2017
Agency Preparation:      Maggie McFadden	Phone: 509-335-1614	Date: 04/18/2017
Agency Approval:          Kelley Westhoff	Phone: 5093350907	Date: 04/18/2017
OFM Review:                  Breann Boggs	Phone: (360) 902-0563	Date: 04/19/2017

## Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

*Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.*

Establishes the Washington student loan transparency act and requires educational institutions to provide students notification about their student loans via email and may provide the notification in writing, other electronic format, or in person.

Section 2 (2) - Subject to the availability of amounts appropriated, requires an educational institution to provide to an enrolled student who has applied for student financial aid periodic notifications about their student loan debt.

Section 2 (8) - Subject to the availability of amounts appropriated, an organization representing the public four-year colleges and universities, the private nonprofit institutions, the state board for community and technical colleges, the workforce training and education coordinating board, and the department of licensing must develop a form for the educational institutions to use to report compliance by July 1, 2018.

Section 2 (9) - Beginning December 1, 2019, and biannually thereafter until December 25, 2025, the organizations under subsection (8) of this section must submit a report in compliance with RCW 43.01.036 to the legislature that details how the educational institutions are in compliance with this section.

### II. B - Cash receipts Impact

*Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.*

### II. C - Expenditures

*Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.*

Section 2 (5) - Requires educational institutions to provide periodic notifications about student loan debt to enrolled students via email. In addition, may provide the notification in writing, in other electronic format, or in person.

The notification must include total loan debt, interest, monthly payment, and pay off amount estimate. WSU assumes it would take approximately 200 hours for WSU staff to develop and implement a loan debt portal to the existing student information system to facilitate the notifications.

Total one-time costs for implementation is approximately \$9,300 in salaries and benefits and ongoing costs of \$2,300 each following year.

Section 2 (9) - Agencies must submit a report to the legislature that details how WSU is in compliance with the bill. WSU anticipates no fiscal impact with regard to providing data to WSAC for the legislature report.

### Part III: Expenditure Detail

#### III. A - Expenditures by Object Or Purpose

	FY 2018	FY 2019	2017-19	2019-21	2021-23
FTE Staff Years	0.1	0.0	0.1	0.0	0.0
A-Salaries and Wages	7,000	1,700	8,700	3,400	3,400
B-Employee Benefits	2,300	600	2,900	1,200	1,200
C-Professional Service Contracts					
E-Goods and Other Services					
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
<b>Total:</b>	\$9,300	\$2,300	\$11,600	\$4,600	\$4,600

#### III. B - Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

Job Classification	Salary	FY 2018	FY 2019	2017-19	2019-21	2021-23
Application Developer	62,856	0.0	0.0	0.0	0.0	0.0
Application Systems Analyst	89,964	0.1	0.0	0.1	0.0	0.0
<b>Total FTE's</b>	152,820	0.1	0.0	0.1	0.0	0.0

### Part IV: Capital Budget Impact

### Part V: New Rule Making Required

*Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.*

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 5022 S SB PL	<b>Title:</b> Education loan information	<b>Agency:</b> 370-Eastern Washington University
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**Part I: Estimates**

**No Fiscal Impact**

**Estimated Cash Receipts to:**

NONE

**Estimated Expenditures from:**

	FY 2018	FY 2019	2017-19	2019-21	2021-23
FTE Staff Years	0.1	0.0	0.1	0.0	0.0
<b>Account</b>					
General Fund-State      001-1	12,625	0	12,625	0	0
<b>Total \$</b>	12,625	0	12,625	0	0

**Estimated Capital Budget Impact:**

NONE

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.*

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 04/13/2017
Agency Preparation:      Alexandra Rosebrook	Phone: (509) 359-7364	Date: 04/19/2017
Agency Approval:          Alexandra Rosebrook	Phone: (509) 359-7364	Date: 04/19/2017
OFM Review:                  Breann Boggs	Phone: (360) 902-0563	Date: 04/19/2017

## Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

*Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.*

Section 2 (2) - Subject to the availability of amounts appropriated, educational institutions must provide a notification with student loan information to enrolled students who have applied for student financial aid.

The notification must include the following: (i) Total amount of education loans taken out by the student; (ii) Potential total payoff amount of the education loans incurred or a range of the total payoff amount; (iii) Monthly repayment amounts that a similarly situated borrower may incur, including principal and interest, for the amount of loans the student has taken out, based on the federal loan repayment plan borrowers are automatically enrolled in if they do not select an alternative repayment plan; and (iv) Percentage of the federal direct loan borrowing limit the student has reached.

The notifications must be provided by July 1, 2018, each time a new or revised financial aid package is offered to the student.

This substitute bill modifies the language in Section 2(5)...educational institutions must provide the notification required in subsection (2) of this section via email. In addition, the educational institution may provide the notification in writing, in an electronic format, or in person.

### II. B - Cash receipts Impact

*Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.*

### II. C - Expenditures

*Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.*

Section 2 requires institutions to provide additional loan information to students. Eastern anticipates 250 hours for information technology staff for the initial development as well as review and verification of the information by department staff (.12FTE\*~\$79,000). The on-going costs would be minimal reprogramming with system updates.

### Part III: Expenditure Detail

#### III. A - Expenditures by Object Or Purpose

	FY 2018	FY 2019	2017-19	2019-21	2021-23
FTE Staff Years	0.1		0.1		
A-Salaries and Wages	9,500		9,500		
B-Employee Benefits	3,125		3,125		
C-Professional Service Contracts					
E-Goods and Other Services					
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
<b>Total:</b>	\$12,625	\$0	\$12,625	\$0	\$0

#### III. B - Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

Job Classification	Salary	FY 2018	FY 2019	2017-19	2019-21	2021-23
Information Technology Specialist	79,000	0.1		0.1		
<b>Total FTE's</b>	79,000	0.1		0.1		0.0

### Part IV: Capital Budget Impact

### Part V: New Rule Making Required

*Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.*

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 5022 S SB PL	<b>Title:</b> Education loan information	<b>Agency:</b> 375-Central Washington University
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**Part I: Estimates**

**No Fiscal Impact**

**Estimated Cash Receipts to:**

NONE

**Estimated Expenditures from:**

**Non-zero but indeterminate cost. Please see discussion.**

**Estimated Capital Budget Impact:**

NONE

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.*

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 04/13/2017
Agency Preparation: Karen Thiemann	Phone: (509) 963-1233	Date: 04/14/2017
Agency Approval: Karen Thiemann	Phone: (509) 963-1233	Date: 04/14/2017
OFM Review: Breann Boggs	Phone: (360) 902-0563	Date: 04/19/2017

## Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

*Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.*

Section 2.2 states that subject to the availability of amounts appropriated for this specific purpose, an educational institution must provide to an enrolled student who has applied for student financial aid a notification including the following information about the student education loans the educational institution has certified:

- (a) An estimate, based on information available at the time the notification is provided, of the:
  - (i) Total amount of student education loans taken out by the student;
  - (ii) Potential total payoff amount of the student education loans incurred or a range of the total payoff amount, including principal and interest;
  - (iii) The monthly repayment amount that the student may incur for the amount of student education loans the student has taken out, based on the federal loan repayment plan borrowers are automatically enrolled in if they do not select an alternative repayment plan; and
  - (iv) Percentage of the aggregate federal direct loan borrowing limit applicable to the student's program of study the student has reached at the time the information is sent to the student; and
- (b) Consumer information about the differences between private student loans and federal student loans, including the availability of income-based repayment plans and loan forgiveness programs for federal loans.

The above sections of SSB.PL 5022 would have a fiscal impact on CWU.

Section 2 requires degree-granting institutions to send notifications to enrolled students attending Central Washington University (CWU) with student loan information for student loans the institution has certified.

Section 5 requires educational institutions to provide the notification required in subsection (2) via email. In addition, educational institutions may provide the notification in writing, in an electronic format, or in person.

The costs associated with this legislation are indeterminate because of the scope of the requirement to provide student loan data on loans certified by the institution. Public Loan data is readily available and periodic notifications could be sent with systems modifications including staff time and resources. This is estimated to take .12 FTE Program Specialist 2 to modify the public loans system. The cost would be .12 FTE \* \$42,000 salary \* ~33% benefits for a total of \$6,703.

### II. B - Cash receipts Impact

*Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.*

### II. C - Expenditures

*Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.*

Section 2 requires degree-granting institutions to send notifications to enrolled students attending Central Washington University (CWU) with student loan information for student loans the institution has certified.

The costs associated with this legislation are indeterminate because of the scope of the requirement to provide student loan data on loans certified by the institution. Public Loan data is readily available and periodic



notifications could be sent with systems modifications including staff time and resources. This is estimated to take .12 FTE Program Specialist 2 to modify the public loans system. The cost would be .12 FTE \* \$42,000 salary \* ~33% benefits for a total of \$6,703.

### **Part III: Expenditure Detail**

### **Part IV: Capital Budget Impact**

### **Part V: New Rule Making Required**

*Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.*

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 5022 S SB PL	<b>Title:</b> Education loan information	<b>Agency:</b> 376-The Evergreen State College
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**Part I: Estimates**

**No Fiscal Impact**

**Estimated Cash Receipts to:**

NONE

**Estimated Expenditures from:**

	FY 2018	FY 2019	2017-19	2019-21	2021-23
FTE Staff Years	0.2	0.2	0.2	0.2	0.2
<b>Account</b>					
General Fund-State      001-1	19,864	10,864	30,728	21,728	21,728
<b>Total \$</b>	19,864	10,864	30,728	21,728	21,728

**Estimated Capital Budget Impact:**

NONE

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.*

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 04/13/2017
Agency Preparation:      Colleen Rust	Phone: 360-867-6453	Date: 04/14/2017
Agency Approval:          Colleen Rust	Phone: 360-867-6453	Date: 04/14/2017
OFM Review:                  Breann Boggs	Phone: (360) 902-0563	Date: 04/19/2017

## Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

*Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.*

New Section 2 requires institutions that receive loan information for enrolled students to provide those students with the following:

- an estimate of the total amount of education loans taken out by the student;
- potential total payoff amount of education loans incurred or a range of the total pay off amount;
- monthly repayment amounts that based on the repayment plan that federal loan borrowers are automatically enrolled in if they do not select an alternative repayment plan; and,
- the percentage of the federal direct loan borrowing limit the student has reached.

The notice would also include information about the differences between private and federal student loans, including the availability of income-based repayment plans for federal loans.

The notification would be required to include a statement that the estimates and ranges are general in nature and not meant as a guarantee or promise of the actual amount. It would also include a statement regarding the availability of a variety of repayment plans for federal student loans that may limit the monthly payment based on income.

The notification would include information about how to access resources for student loan borrowers that are provided by state or federal agencies.

The notice could be provided by email , in writing, or in person. Institutions would not incur liability for any good faith representations made in the notice.

Institutions would be required to begin providing the notifications by July 1, 2018, each time a financial aid packet including loans is offered to a student.

An organization representing public four-year institutions, an organization representing private four-year institutions, the state board for community and technical colleges, the workforce training and education board, and the department of licensing would be required to develop a form for reporting compliance by July 1, 2018. Institutions would be required to report annually beginning with January 1, 2019.

Beginning December 1, 2019, the organizations responsible for promulgating the required forms must submit a report to the legislature each year providing details regarding the compliance of institutions with the notification requirements. This reporting requirement expires on December 25, 2025.

### II. B - Cash receipts Impact

*Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.*

### II. C - Expenditures

*Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.*

Section 2 requires institutions to provide student loan information to enrolled students. Evergreen estimates that

0.2 FTE of a financial aid counselor would be needed to develop and maintain the report. Salary is estimated at \$38,652 x 0.2 FTE = \$7,730. Benefits are estimated at \$1,000.

Estimated goods and services expenditures include the initial IT development of the report, which is estimated to cost \$10,000 (approximately 200 hours at \$50.54) in FY 2018, with ongoing IT maintenance costs of \$1,000 per year. Incidental costs to support the position are computed at 13% of the total cost for salaries and benefits.

### Part III: Expenditure Detail

#### III. A - Expenditures by Object Or Purpose

	FY 2018	FY 2019	2017-19	2019-21	2021-23
FTE Staff Years	0.2	0.2	0.2	0.2	0.2
A-Salaries and Wages	7,730	7,730	15,460	15,460	15,460
B-Employee Benefits	1,000	1,000	2,000	2,000	2,000
C-Professional Service Contracts					
E-Goods and Other Services	11,134	2,134	13,268	4,268	4,268
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
<b>Total:</b>	\$19,864	\$10,864	\$30,728	\$21,728	\$21,728

#### III. B - Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

Job Classification	Salary	FY 2018	FY 2019	2017-19	2019-21	2021-23
Financial Aid Counselor	38,652	0.2	0.2	0.2	0.2	0.2
<b>Total FTE's</b>	38,652	0.2	0.2	0.2	0.2	0.2

### Part IV: Capital Budget Impact

### Part V: New Rule Making Required

*Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.*

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 5022 S SB PL	<b>Title:</b> Education loan information	<b>Agency:</b> 380-Western Washington University
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**Part I: Estimates**

**No Fiscal Impact**

**Estimated Cash Receipts to:**

NONE

**Estimated Expenditures from:**

**Non-zero but indeterminate cost. Please see discussion.**

**Estimated Capital Budget Impact:**

NONE

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.*

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 04/13/2017
Agency Preparation: Kirk England	Phone: 360-650-4694	Date: 04/19/2017
Agency Approval: Kirk England	Phone: 360-650-4694	Date: 04/19/2017
OFM Review: Breann Boggs	Phone: (360) 902-0563	Date: 04/19/2017

## Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

*Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.*

S SB.PL 5022 as written will have an ongoing indeterminate cost to WWU.

Sec 2 requires students who are pursuing higher education in this state to receive periodic notifications about their student loan debt.

The scope of all costs associated with Sec 2 are indeterminate.

### II. B - Cash receipts Impact

*Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.*

### II. C - Expenditures

*Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.*

It is estimated that a fair amount of time and effort will be spent on software/system development that will enable WWU to track and report all loan programs (both publicly and privately funded). The development costs are estimated to range between \$7,500 and \$12,000 in one time costs. Once a system has been developed, the system will require administrative oversight, maintenance, and be audited routinely to insure information is reported to students correctly. WWU anticipates the costs of ongoing maintenance and oversight at approximately \$2500 a year.

## Part III: Expenditure Detail

## Part IV: Capital Budget Impact

## Part V: New Rule Making Required

*Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.*

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 5022 S SB PL	<b>Title:</b> Education loan information	<b>Agency:</b> 699-Community and Technical College System
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**Part I: Estimates**

**No Fiscal Impact**

**Estimated Cash Receipts to:**

NONE

**Estimated Expenditures from:**

	FY 2018	FY 2019	2017-19	2019-21	2021-23
<b>Account</b>					
General Fund-State      001-1	100,000	0	100,000	0	0
<b>Total \$</b>	100,000	0	100,000	0	0

**Estimated Capital Budget Impact:**

NONE

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.*

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 04/13/2017
Agency Preparation:      Brian Myhre	Phone: 360-704-4413	Date: 04/14/2017
Agency Approval:          Cherie Berthon	Phone: 360-704-1023	Date: 04/14/2017
OFM Review:                  Breann Boggs	Phone: (360) 902-0563	Date: 04/19/2017

## Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

*Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.*

There is no change in the substitute bill as passed the legislature compared to the prior version of the bill.

There is no change in the fiscal impact when compared to the prior version.

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### SECTION 2

Each time a financial aid package that includes a new or revised student education loan is offered to an enrolled student, educational institutions would be required to provide a notification. The notification would be required to include:

- 1) Estimates of:
  - i) The total amount of student education loans taken out by the student
  - ii) The potential payoff amount of the student education loans or a range of the total payoff amount, including principal and interest
  - iii) Monthly repayment amounts that a student may incur, based on the amount of loans the student has taken out.
  - iv) Percentage of the aggregate federal direct loan borrowing limit applicable to the student's program of study the student has reached
- 2) Information about the differences between private student loans and federal student loans

Notifications provided under the provisions of this bill must include a statement that the estimates and ranges provided are general in nature and not a promise of the actual projected amounts.

Notification to the student must be by email. In addition, notifications may be provided in an electronic format, in writing or in person. Institutions must begin providing notifications by July 1, 2018.

Agencies and organizations must report compliance with the notification requirements to the Legislature on a bi-annual basis beginning in December 1, 2019 until December 25, 2025.

### II. B - Cash receipts Impact

*Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.*

No cash receipts impact.

### II. C - Expenditures

*Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.*

This bill would require community and technical colleges to provide certain information to students regarding



their educational loans. Implementing these notification requirements would result in costs to colleges.

Section 2 of the bill would require colleges to notify students of the total amount of educational loans taken out, the potential payoff amount, monthly payment amounts and federal loan borrowing amount percentage the student has reached. Student notifications, may be provide in electronic format, in writing or in person and must begin by July 1, 2018.

Institutions must report compliance with the notification requirements on an annual basis beginning in December 1, 2019.

#### AUTOMATED PROCESS COSTS:

The community and technical college system is transitioning to a new, centralized financial system. Since some colleges are currently in the old system and some are in the new system, any work done to automate student loan notifications will need to be performed in two different software systems. It is estimated this work will take approximately 12 months.

Data will need to be accessed from internal college systems and external sources, including data from federal sources, to gather all the information required in the notification. Programming will have to been done in both the older, "legacy" college system and the new enterprise college system that is being implemented in phases. It is estimated that \$100,000 in contract programming services and 12 months' time would be required to program both college systems. These costs would be one-time costs occurring in FY2018

#### COMPLIANCE FORM DEVELOPMENT COSTS:

Organizations and agencies, including the Washington State Board for Community and Technical Colleges (SBCTC), would be required to develop a form for education institutions to use to report compliance with the notification requirements in the bill. The form is to be developed by July 1, 2018. Assuming the form is only required to note compliance or non-compliance, the workload required to consult to develop the form is anticipated to result in minimal fiscal impact.

#### REPORTING COSTS:

Organizations and agencies would be required to report compliance information to the legislature beginning December 1, 2019 and every two years thereafter until December 25, 2025. Assuming the form is only required to note compliance or non-compliance, and that data from the form would be the only information provided to the legislature, the workload required for reporting is anticipated to result in minimal fiscal impact.

### Part III: Expenditure Detail

#### III. A - Expenditures by Object Or Purpose

	FY 2018	FY 2019	2017-19	2019-21	2021-23
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Professional Service Contracts	100,000		100,000		
E-Goods and Other Services					
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
<b>Total:</b>	\$100,000	\$0	\$100,000	\$0	\$0

### Part IV: Capital Budget Impact

No capital budget impact.

### Part V: New Rule Making Required

*Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.*

No rule-making required.