

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 42** HLS 21RS 198

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 23, 2021	2:51 PM	Author: DAVIS
Dept./Agy.: Higher Education		Analyst: Tim Mathis
Subject: Student Loan Information		

HIGHER EDUCATION
Provides relative to financial aid

EG SEE FISC NOTE GF EX See Note

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Proposed law requires each public post-secondary education institution to provide the following information to students that receive education loans: the total amount of education loans taken out by the student; percentage of the borrowing limit the student has reached; and monthly repayment amounts that a similarly situated borrower may incur. The information provided may include a statement that the estimates and ranges provided are not a guarantee or promise of the actual or projected amount. Further provides that an institution shall not be held liable for information provided, and that the information provided shall not apply to private loans.

EXPENDITURES	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total						
REVENUES	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

There will be an indeterminable increase in SGF and/or SGR expenditures for institutions to compile the required information on student loans for each borrower. However, institutions indicate they will be able to incorporate such costs into their existing budgetary resources.

Most institutions would likely contract with a third-party to provide student loan summary letters. According to information received by the LFO, this service could cost as little as \$2,500 per institution; however, costs may vary by provider. To the extent institutions regard this as a viable option, it would impose minimal additional costs to institutions.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Alan M. Boxberger

Alan M. Boxberger
Staff Director