

MATC Legislative Update

September 16, 2020 - Legislative Task Force

The State Legislature remains adjourned. Governor Tony Evers called for a Special Session of the Legislature on August 31, 2020 on Policing Accountability and Transparency.

With negotiations between Speaker Pelosi, Minority Leader Schumer, and the Trump administration stalled. Any votes on a stimulus compromise are not expected until after Labor Day Weekend, when both the House and the Senate will reconvene.

The nonpartisan Legislative Fiscal Bureau continues to monitor tax collection reports, economic forecasts, and federal legislation on findings that might impact the state's budget. The most recent monthly report was released in early July. The July report says that preliminary tax collections for June 2020 were \$370 million below collections of June 2019. For the 12 months of the 2019-20 fiscal year, collections are \$749 million, or 4.7% below those over the same 12 months in 2018-19. The delayed filing tax deadline has made it difficult to get a clear fiscal picture, generally. The next reported is expected at the end of this month.

Last month the Governor announced Executive Order #80 creating the Governor's Task Force on Broadband Access. The task force will advise the governor and Wisconsin State Legislature on broadband actions and policy, including strategies for successfully expanding high speed internet access to every residence, business, and institution in the state; initiatives for digital inclusion; and pathways to unlocking and optimizing the benefits of statewide, affordable access to broadband for all communities in Wisconsin. The first meeting is this week.

The Governor's Task Force on Student Debt released its final report this month. The Wisconsin Technical College System Board was represented by Brandon Trujillo. Keyimani Alford, the president of the Wisconsin Association of Student Financial Aid Administrators also served on the task force, among many others. The task force forwarded eight recommendations to the Governor for his consideration:

Create a Borrower Bill of Rights and Student Loan Ombudsman

- Wisconsin should adopt a Borrower Bill of Rights (BBOR) and create an Office of the Student Loan Ombudsman that licenses student loan services and creates loan servicing standards. The BBOR would create a legal mechanism to enforce those standards when not adhered to by the loan servicer. The Student Loan Ombudsman would act as an independent advocate for student borrowers, providing needed customer protections to navigate the student loan repayment process and enforce the BBOR.

Enhance Proprietary School Regulations and Reinstate the Educational Approval Board

- Wisconsin should strengthen its oversight of proprietary schools through enhanced regulations, robust involvement in NC-SARA, and the reinstatement of the Educational Approval Board.

Financial Literacy Education

- Financial literacy education is designed to empower students to make sound financial decisions regarding how they pay for higher education and can help ensure that student borrowers fully understand the terms of their loans.

Increased Need-based, Targeted Aid and Create a Statewide Promise Program

- Increasing funding for Wisconsin's need-based aid programs and implementing a statewide Promise Program would make college more affordable for students. In turn, students would borrow less to attend college.

Loan Counseling

- Loan Counseling is designed to help borrowers understand and manage their loans. Public, non-profit, and for-profit colleges can deliver counseling online, in-person, or by mail and must have a designated expert available to answer students' questions. Some states have enacted policy change aimed at providing borrowers with the tools they need to successfully navigate their borrowing experience.

Loan Forgiveness

- Loan forgiveness programs forgive a portion of an eligible borrower's student loan debt. Most programs target relief for those working in high-demand professions, living in specific geographic areas, or earning a low- to middle-income wage.

Refinancing

- Student loan refinancing provides relief to borrowers by allowing them to refinance their loans to receive lower interest rates. Refinancing can both lower monthly payments and shorten the time it takes a borrower to repay but comes at the cost of losing federal student loan protections. Existing programs tend to disproportionately benefit higher-income borrowers.

State Student Debt Relief Tax Credit

- Implementing new tax credits for Wisconsin student debt holders is one vehicle for helping alleviate the student debt burden. Tax credits can also be offered as incentives for employers to assist employees with student debt payments.