

Godlewski says BCPL can be part of solution to student debt problem

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Treasurer Sarah Godlewski is looking for solutions to Wisconsin's student loan debt problem.

And she's thinking the Board of Commissioners of Public Lands that she chairs could be part of the solution by facilitating student loans at cheaper rates.

Godlewski said under the approach she's looking at, the BCPL wouldn't lend money to college students directly. Instead, it would provide assets to lenders. The assets could be provided to the lender at a rate that would match what the board makes on current investments such as a bond. The BCPL would also negotiate the rates at which lenders could then turn around and use the money for student loans.

The BCPL oversees a fund created more than 100 years ago following the sale of most school trust lands and manages the remaining property that wasn't sold. With \$1.2 billion in assets, the agency provides funding to public school libraries and loans money to municipalities and school districts for public projects.

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She believes the BCPL already has the power to take on such an initiative on student loans.

"I think we as a state can be doing more things where we have good, strong financial returns but at the same time are doing good things for our community. And so that I think is something that's really important for us to be looking at as fiduciaries," Godlewski told WisPolitics.com.

It's one of several efforts Godlewski has undertaken even as GOP lawmakers have shown little interest in providing additional resources to the office after voters last

year rejected a constitutional amendment that would've eliminated it.

The gov proposed adding three positions to the single position now approved for the office. But the Joint Finance Committee nixed that move with its first votes in early May. That vote also pulled from the budget Gov. Tony Evers' proposals to have the treasurer sit on a study committee to look at creating a private retirement investment option for Wisconsin residents under the Department of Employee Trust Funds and one to study the creation of a state authority to refinance student loans.

Godlewski said she and Evers, a fellow Dem, believe they can still create the study committees without legislative approval. And she's already meeting with the heads of the Department of Financial Institutions and the Higher Educational Aids Board to lay the groundwork for an expected study of creating a state-based refinancing authority.

While lawmakers so far have rejected additional funds for her office, Godlewski said she found a grant that had been on the office books for nearly a decade, but not used, to fund additional staff.

One of the few remaining responsibilities for the office is promoting the state's unclaimed property program, so she's also making a pitch to lawmakers: Give her the staff she's requested; in return, she'll give back \$5 million to taxpayers over two years through the program. If she fails, they can take the staff back.

Godlewski is confident she wouldn't. Though her office still promotes the program, oversight of unclaimed property was moved to the Department of Revenue in 2013 under the belief that agency would better be able to connect citizens to unclaimed funds, because it has access to the tax identification system. But she said that doesn't account for municipalities and nonprofits that don't have the typical tax ID number. She said her office has identified more than \$200,000 that should be going back to municipalities and nonprofits that wasn't caught by the current system.

"I just think that is the tip of the iceberg quite frankly," she said.

Some of the other initiatives Godlewski is taking on include:

*creating a "citizen friendly" annual report on the state's finances. The Department of Administration each year produces the Comprehensive Annual Financial Report, which is prepared using generally accepted accounting principles. But Godlewski

said it's not something her "mom who is a hard working, very intelligent school teacher in Eau Claire is going to be reading" to understand where her tax dollars are going. She hopes to produce the first report by year's end.

*creating universal child savings accounts as another option for parents beyond a 529 college plan. Other states have set them up, and Godlewski said she's looking for a way to create one that would be self-sustaining and be a better investment option than the interest rates available on a typical savings account. One option she's studying is creating a Roth IRA for kids. Money put into those funds can be withdrawn years later tax-free.

"To me, why you want to start a universal child savings account is because you want to set your kid up for financial success," she said. "So they can use that for whether it is for school, but if school's not for them, maybe they want to buy a home, maybe they want to use it for medical emergencies or more or less. Maybe they actually want to save it for actual retirement."