



State of Wisconsin
2015 - 2016 LEGISLATURE

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**SENATE SUBSTITUTE AMENDMENT 1,
TO ASSEMBLY BILL 744**

March 15, 2016 - Offered by Senators HANSEN, WIRCH, C. LARSON, RINGHAND,
HARRIS DODD, VINEHOUT, MILLER and BEWLEY.

1 **AN ACT to amend** 13.172 (1), 13.48 (13) (a), 13.62 (2), 13.94 (4) (a) 1., 13.95
2 (intro.), 16.002 (2), 16.004 (4), 16.004 (5), 16.004 (12) (a), 16.045 (1) (a), 16.15
3 (1) (ab), 16.41 (4), 16.417 (1) (b), 16.52 (7), 16.528 (1) (a), 16.53 (2), 16.54 (9) (a)
4 1., 16.765 (1), 16.765 (2), 16.765 (5), 16.765 (6), 16.765 (7) (intro.), 16.765 (7) (d),
5 16.765 (8), 16.85 (2), 16.865 (8), 77.54 (9a) (a), 100.45 (1) (dm) and 230.03 (3);
6 and **to create** 13.94 (1) (dt), 13.94 (1s) (c) 9., 19.42 (10) (t), 19.42 (13) (p), 20.195,
7 39.28 (7), 39.54, 39.56, 40.02 (54) (n), 70.11 (38v), 224.30 (6) and chapter 239 of
8 the statutes; **relating to:** student loans, creating an authority to be known as
9 the Wisconsin Student Loan Refinancing Authority, granting rule-making
10 authority, and making an appropriation.

Analysis by the Legislative Reference Bureau

The Wisconsin Student Loan Refinancing Authority

This substitute amendment creates an authority, which is a public body corporate and politic, to be known as the Wisconsin Student Loan Refinancing

Authority (WSLRA). The WSLRA is governed by a board that consists of four members of the legislature, three members who are students of an institution of higher learning, and two members with experience in making student loans. The five members of the board who are not members of the legislature are nominated by the governor, and with the advice and consent of the senate appointed, to serve two- or three-year terms. The board appoints the chief executive officer of WSLRA and annually elects the chairperson of the board. The board is given all the powers necessary or convenient to carry out its duties, as well as specific powers to conduct its corporate business, including the power to issue bonds for any corporate purpose.

Under the substitute amendment, the board must develop and implement a loan program under which state residents may refinance student loans. Under the program, WSLRA provides a loan to an individual to pay off some or all of his or her outstanding student loan debt. To qualify for the program, an individual must satisfy similar eligibility requirements to the criteria a private lender uses to make an unsecured personal loan at market rates. Under the substitute amendment, WSLRA must provide loans under the program at the lowest possible interest rate that is still sufficient to cover the expenses of the program. A loan issued under the program is not dischargeable in a bankruptcy proceeding.

Financial aid information

This substitute amendment requires the Department of Financial Institutions to compile data related to private student loans for the purpose of comparing private lending institutions' student loan interest rates and repayment plans. A "private student loan" is a loan issued by a private lending institution for the purpose of paying for or financing higher education expenses, including tuition and fees, books and supplies, and room and board. DFI must create and maintain a list of private lending institutions that provide the lowest rates and best repayment options on student loans. DFI must also compile a list of the top ten best private lending institutions based on rates and policies that are most favorable to the student borrower. DFI must place these lists on DFI's Internet site and update the Internet site monthly to ensure that the student loan information in these lists is current and accurate. DFI's Internet site must also contain information pertaining to lending institutions that do not make the top ten list, including identifying those lending institutions that provide the worst rates and strictest repayment options. DFI may satisfy its duties under the substitute amendment through a designee or third-party contractor.

The substitute amendment also requires an institution or college campus within the University of Wisconsin System, a technical college within the technical college system, a tribally controlled college, or a private, nonprofit institution of higher education located in this state (institution of higher education) to provide to a prospective or newly accepted student and to the student's parents clearly outlined and easy-to-understand information pertaining to all of the following:

1. The total cost of attendance at the institution of higher education.
2. The approximate or, if known, the actual total amount of financial aid that the student would receive from the institution of higher education, and the approximate or, if known, the actual total amount of student loan debt that the

student would accumulate, over the course of four years, if the student were to attend the institution of higher education for four years (student loan debt).

3. Student loan rates, repayment plans, default rates, and the actual monthly payment that would be required to pay that student loan debt when the loan becomes due.

Finally, the substitute amendment requires an institution of higher education and the Higher Educational Aids Board to create on their Internet sites a link to that portion of DFI's Internet site containing the lists and other information required under the substitute amendment.

Student loan counseling

This substitute amendment requires any institution of higher education in this state that offers an associate degree or higher to provide loan counseling for its students. Under the substitute amendment, before a student enters into a student loan agreement, the institution must provide the student with comprehensive information on the terms and conditions of a loan and the responsibilities the student has with respect to the loan. A lender may not accept an application for a private student loan, or assess any fees for the loan, unless the lender has received certification from the applicant's institution of higher education that the applicant has received such counseling.

The substitute amendment also requires an institution of higher education to provide a student with information when the student leaves the institution, whether through graduation, transfer, or otherwise. The information must include available loan repayment plans, debt management strategies, options for prepayment of loans, and the consequences of defaulting on a loan.

Finally, the substitute amendment authorizes an institution of higher education to assess a lender a reasonable fee of up to \$50 to defray the cost of the student counseling required under the substitute amendment.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 13.172 (1) of the statutes is amended to read:

2 13.172 (1) In this section, "agency" means an office, department, agency,
3 institution of higher education, association, society, or other body in state
4 government created or authorized to be created by the constitution or any law, that
5 is entitled to expend moneys appropriated by law, including the legislature and the
6 courts, and any authority created in subch. II of ch. 114 or in ch. 231, 233, 234, 238,
7 239, or 279.

1 **SECTION 2.** 13.48 (13) (a) of the statutes is amended to read:

2 13.48 **(13)** (a) Except as provided in par. (b) or (c), every building, structure or
3 facility that is constructed for the benefit of or use of the state, any state agency,
4 board, commission or department, the University of Wisconsin Hospitals and Clinics
5 Authority, the Fox River Navigational System Authority, the Wisconsin Student
6 Loan Refinancing Authority, the Wisconsin Economic Development Corporation, or
7 any local professional baseball park district created under subch. III of ch. 229 if the
8 construction is undertaken by the department of administration on behalf of the
9 district, shall be in compliance with all applicable state laws, rules, codes and
10 regulations but the construction is not subject to the ordinances or regulations of the
11 municipality in which the construction takes place except zoning, including without
12 limitation because of enumeration ordinances or regulations relating to materials
13 used, permits, supervision of construction or installation, payment of permit fees, or
14 other restrictions.

15 **SECTION 3.** 13.62 (2) of the statutes is amended to read:

16 13.62 **(2)** “Agency” means any board, commission, department, office, society,
17 institution of higher education, council, or committee in the state government, or any
18 authority created in subch. II of ch. 114 or in ch. 231, 232, 233, 234, 237, 238, 239,
19 or 279, except that the term does not include a council or committee of the legislature.

20 **SECTION 4.** 13.94 (1) (dt) of the statutes is created to read:

21 13.94 **(1)** (dt) Biennially, beginning in 2017, conduct a financial audit of the
22 Wisconsin Student Loan Refinancing Authority and a program evaluation audit of
23 the programs administered by the Wisconsin Student Loan Refinancing Authority
24 under ch. 239. The legislative audit bureau shall file a copy of each audit report
25 under this paragraph with the distributees specified in par. (b).

1 **SECTION 5.** 13.94 (1s) (c) 9. of the statutes is created to read:

2 13.94 (1s) (c) 9. The Wisconsin Student Loan Refinancing Authority for the cost
3 of the audit required to be performed under sub. (1) (dt).

4 **SECTION 6.** 13.94 (4) (a) 1. of the statutes is amended to read:

5 13.94 (4) (a) 1. Every state department, board, examining board, affiliated
6 credentialing board, commission, independent agency, council or office in the
7 executive branch of state government; all bodies created by the legislature in the
8 legislative or judicial branch of state government; any public body corporate and
9 politic created by the legislature including specifically the Fox River Navigational
10 System Authority, the Lower Fox River Remediation Authority, the Wisconsin
11 Aerospace Authority, the Wisconsin Student Loan Refinancing Authority, the
12 Wisconsin Economic Development Corporation, a professional baseball park district,
13 a local professional football stadium district, a local cultural arts district, and a
14 long-term care district under s. 46.2895; every Wisconsin works agency under subch.
15 III of ch. 49; every provider of medical assistance under subch. IV of ch. 49; technical
16 college district boards; every county department under s. 51.42 or 51.437; every
17 nonprofit corporation or cooperative or unincorporated cooperative association to
18 which moneys are specifically appropriated by state law; and every corporation,
19 institution, association or other organization which receives more than 50% of its
20 annual budget from appropriations made by state law, including subgrantee or
21 subcontractor recipients of such funds.

22 **SECTION 7.** 13.95 (intro.) of the statutes is amended to read:

23 **13.95 Legislative fiscal bureau.** (intro.) There is created a bureau to be
24 known as the “Legislative Fiscal Bureau” headed by a director. The fiscal bureau
25 shall be strictly nonpartisan and shall at all times observe the confidential nature

1 of the research requests received by it; however, with the prior approval of the
2 requester in each instance, the bureau may duplicate the results of its research for
3 distribution. Subject to s. 230.35 (4) (a) and (f), the director or the director's
4 designated employees shall at all times, with or without notice, have access to all
5 state agencies, the University of Wisconsin Hospitals and Clinics Authority, the
6 Wisconsin Aerospace Authority, the Lower Fox River Remediation Authority, the
7 Wisconsin Student Loan Refinancing Authority, the Wisconsin Economic
8 Development Corporation, and the Fox River Navigational System Authority, and to
9 any books, records, or other documents maintained by such agencies or authorities
10 and relating to their expenditures, revenues, operations, and structure.

11 **SECTION 8.** 16.002 (2) of the statutes is amended to read:

12 16.002 (2) "Departments" means constitutional offices, departments, and
13 independent agencies and includes all societies, associations, and other agencies of
14 state government for which appropriations are made by law, but not including
15 authorities created in subch. II of ch. 114 or in ch. 231, 232, 233, 234, 237, 238, 239,
16 or 279.

17 **SECTION 9.** 16.004 (4) of the statutes is amended to read:

18 16.004 (4) FREEDOM OF ACCESS. The secretary and such employees of the
19 department as the secretary designates may enter into the offices of state agencies
20 and authorities created under subch. II of ch. 114 and under chs. 231, 233, 234, 237,
21 238, 239, and 279, and may examine their books and accounts and any other matter
22 that in the secretary's judgment should be examined and may interrogate the
23 agency's employees publicly or privately relative thereto.

24 **SECTION 10.** 16.004 (5) of the statutes is amended to read:

1 16.004 (5) AGENCIES AND EMPLOYEES TO COOPERATE. All state agencies and
2 authorities created under subch. II of ch. 114 and under chs. 231, 233, 234, 237, 238,
3 239, and 279, and their officers and employees, shall cooperate with the secretary
4 and shall comply with every request of the secretary relating to his or her functions.

5 **SECTION 11.** 16.004 (12) (a) of the statutes is amended to read:

6 16.004 (12) (a) In this subsection, “state agency” means an association,
7 authority, board, department, commission, independent agency, institution, office,
8 society, or other body in state government created or authorized to be created by the
9 constitution or any law, including the legislature, the office of the governor, and the
10 courts, but excluding the University of Wisconsin Hospitals and Clinics Authority,
11 the Wisconsin Aerospace Authority, the Lower Fox River Remediation Authority, the
12 Wisconsin Economic Development Corporation, the Wisconsin Student Loan
13 Refinancing Authority, and the Fox River Navigational System Authority.

14 **SECTION 12.** 16.045 (1) (a) of the statutes is amended to read:

15 16.045 (1) (a) “Agency” means an office, department, independent agency,
16 institution of higher education, association, society, or other body in state
17 government created or authorized to be created by the constitution or any law, that
18 is entitled to expend moneys appropriated by law, including the legislature and the
19 courts, but not including an authority created in subch. II of ch. 114 or in ch. 231, 232,
20 233, 234, 237, 238, 239, or 279.

21 **SECTION 13.** 16.15 (1) (ab) of the statutes is amended to read:

22 16.15 (1) (ab) “Authority” has the meaning given under s. 16.70 (2), but
23 excludes the University of Wisconsin Hospitals and Clinics Authority, the Lower Fox
24 River Remediation Authority, the Wisconsin Student Loan Refinancing Authority,
25 and the Wisconsin Economic Development Corporation.

1 **SECTION 14.** 16.41 (4) of the statutes is amended to read:

2 16.41 (4) In this section, “authority” means a body created under subch. II of
3 ch. 114 or under ch. 231, 233, 234, 237, 238, 239, or 279.

4 **SECTION 15.** 16.417 (1) (b) of the statutes is amended to read:

5 16.417 (1) (b) “Authority” means a body created under subch. II of ch. 114 or
6 ch. 231, 232, 233, 234, 237, 238, 239, or 279.

7 **SECTION 16.** 16.52 (7) of the statutes is amended to read:

8 16.52 (7) PETTY CASH ACCOUNT. With the approval of the secretary, each agency
9 that is authorized to maintain a contingent fund under s. 20.920 may establish a
10 petty cash account from its contingent fund. The procedure for operation and
11 maintenance of petty cash accounts and the character of expenditures therefrom
12 shall be prescribed by the secretary. In this subsection, “agency” means an office,
13 department, independent agency, institution of higher education, association,
14 society, or other body in state government created or authorized to be created by the
15 constitution or any law, that is entitled to expend moneys appropriated by law,
16 including the legislature and the courts, but not including an authority created in
17 subch. II of ch. 114 or in ch. 231, 233, 234, 237, 238, 239, or 279.

18 **SECTION 17.** 16.528 (1) (a) of the statutes is amended to read:

19 16.528 (1) (a) “Agency” means an office, department, independent agency,
20 institution of higher education, association, society, or other body in state
21 government created or authorized to be created by the constitution or any law, that
22 is entitled to expend moneys appropriated by law, including the legislature and the
23 courts, but not including an authority created in subch. II of ch. 114 or in ch. 231, 233,
24 234, 237, 238, 239, or 279.

25 **SECTION 18.** 16.53 (2) of the statutes is amended to read:

1 16.53 (2) IMPROPER INVOICES. If an agency receives an improperly completed
2 invoice, the agency shall notify the sender of the invoice within 10 working days after
3 it receives the invoice of the reason it is improperly completed. In this subsection,
4 “agency” means an office, department, independent agency, institution of higher
5 education, association, society, or other body in state government created or
6 authorized to be created by the constitution or any law, that is entitled to expend
7 moneys appropriated by law, including the legislature and the courts, but not
8 including an authority created in subch. II of ch. 114 or in ch. 231, 233, 234, 237, 238,
9 239, or 279.

10 **SECTION 19.** 16.54 (9) (a) 1. of the statutes is amended to read:

11 16.54 (9) (a) 1. “Agency” means an office, department, independent agency,
12 institution of higher education, association, society or other body in state
13 government created or authorized to be created by the constitution or any law, which
14 is entitled to expend moneys appropriated by law, including the legislature and the
15 courts, but not including an authority created in subch. II of ch. 114 or in ch. 231, 233,
16 234, 237, 238, 239, or 279.

17 **SECTION 20.** 16.765 (1) of the statutes is amended to read:

18 16.765 (1) Contracting agencies, the University of Wisconsin Hospitals and
19 Clinics Authority, the Fox River Navigational System Authority, the Wisconsin
20 Aerospace Authority, the Lower Fox River Remediation Authority, the Wisconsin
21 Student Loan Refinancing Authority, the Wisconsin Economic Development
22 Corporation, and the Bradley Center Sports and Entertainment Corporation shall
23 include in all contracts executed by them a provision obligating the contractor not
24 to discriminate against any employee or applicant for employment because of age,
25 race, religion, color, handicap, sex, physical condition, developmental disability as

1 defined in s. 51.01 (5), sexual orientation as defined in s. 111.32 (13m), or national
2 origin and, except with respect to sexual orientation, obligating the contractor to take
3 affirmative action to ensure equal employment opportunities.

4 **SECTION 21.** 16.765 (2) of the statutes is amended to read:

5 16.765 (2) Contracting agencies, the University of Wisconsin Hospitals and
6 Clinics Authority, the Fox River Navigational System Authority, the Wisconsin
7 Aerospace Authority, the Lower Fox River Remediation Authority, the Wisconsin
8 Student Loan Refinancing Authority, the Wisconsin Economic Development
9 Corporation, and the Bradley Center Sports and Entertainment Corporation shall
10 include the following provision in every contract executed by them: “In connection
11 with the performance of work under this contract, the contractor agrees not to
12 discriminate against any employee or applicant for employment because of age, race,
13 religion, color, handicap, sex, physical condition, developmental disability as defined
14 in s. 51.01 (5), sexual orientation or national origin. This provision shall include, but
15 not be limited to, the following: employment, upgrading, demotion or transfer;
16 recruitment or recruitment advertising; layoff or termination; rates of pay or other
17 forms of compensation; and selection for training, including apprenticeship. Except
18 with respect to sexual orientation, the contractor further agrees to take affirmative
19 action to ensure equal employment opportunities. The contractor agrees to post in
20 conspicuous places, available for employees and applicants for employment, notices
21 to be provided by the contracting officer setting forth the provisions of the
22 nondiscrimination clause”.

23 **SECTION 22.** 16.765 (5) of the statutes is amended to read:

24 16.765 (5) The head of each contracting agency and the boards of directors of
25 the University of Wisconsin Hospitals and Clinics Authority, the Fox River

1 Navigational System Authority, the Wisconsin Aerospace Authority, the Lower Fox
2 River Remediation Authority, the Wisconsin Student Loan Refinancing Authority,
3 the Wisconsin Economic Development Corporation, and the Bradley Center Sports
4 and Entertainment Corporation shall be primarily responsible for obtaining
5 compliance by any contractor with the nondiscrimination and affirmative action
6 provisions prescribed by this section, according to procedures recommended by the
7 department. The department shall make recommendations to the contracting
8 agencies and the boards of directors of the University of Wisconsin Hospitals and
9 Clinics Authority, the Fox River Navigational System Authority, the Wisconsin
10 Aerospace Authority, the Lower Fox River Remediation Authority, the Wisconsin
11 Student Loan Refinancing Authority, the Wisconsin Economic Development
12 Corporation, and the Bradley Center Sports and Entertainment Corporation for
13 improving and making more effective the nondiscrimination and affirmative action
14 provisions of contracts. The department shall promulgate such rules as may be
15 necessary for the performance of its functions under this section.

16 **SECTION 23.** 16.765 (6) of the statutes is amended to read:

17 16.765 (6) The department may receive complaints of alleged violations of the
18 nondiscrimination provisions of such contracts. The department shall investigate
19 and determine whether a violation of this section has occurred. The department may
20 delegate this authority to the contracting agency, the University of Wisconsin
21 Hospitals and Clinics Authority, the Fox River Navigational System Authority, the
22 Wisconsin Aerospace Authority, the Lower Fox River Remediation Authority, the
23 Wisconsin Student Loan Refinancing Authority, the Wisconsin Economic
24 Development Corporation, or the Bradley Center Sports and Entertainment
25 Corporation for processing in accordance with the department's procedures.

1 **SECTION 24.** 16.765 (7) (intro.) of the statutes is amended to read:

2 16.765 (7) (intro.) When a violation of this section has been determined by the
3 department, the contracting agency, the University of Wisconsin Hospitals and
4 Clinics Authority, the Fox River Navigational System Authority, the Wisconsin
5 Aerospace Authority, the Lower Fox River Remediation Authority, the Wisconsin
6 Student Loan Refinancing Authority, the Wisconsin Economic Development
7 Corporation, or the Bradley Center Sports and Entertainment Corporation, the
8 contracting agency, the University of Wisconsin Hospitals and Clinics Authority, the
9 Fox River Navigational System Authority, the Wisconsin Aerospace Authority, the
10 Lower Fox River Remediation Authority, the Wisconsin Student Loan Refinancing
11 Authority, the Wisconsin Economic Development Corporation, or the Bradley Center
12 Sports and Entertainment Corporation shall:

13 **SECTION 25.** 16.765 (7) (d) of the statutes is amended to read:

14 16.765 (7) (d) Direct the violating party to take immediate steps to prevent
15 further violations of this section and to report its corrective action to the contracting
16 agency, the University of Wisconsin Hospitals and Clinics Authority, the Fox River
17 Navigational System Authority, the Wisconsin Aerospace Authority, the Lower Fox
18 River Remediation Authority, the Wisconsin Student Loan Refinancing Authority,
19 the Wisconsin Economic Development Corporation, or the Bradley Center Sports
20 and Entertainment Corporation.

21 **SECTION 26.** 16.765 (8) of the statutes is amended to read:

22 16.765 (8) If further violations of this section are committed during the term
23 of the contract, the contracting agency, the Fox River Navigational System Authority,
24 the Wisconsin Aerospace Authority, the Lower Fox River Remediation Authority, the
25 Wisconsin Student Loan Refinancing Authority, the Wisconsin Economic

1 Development Corporation, or the Bradley Center Sports and Entertainment
2 Corporation may permit the violating party to complete the contract, after complying
3 with this section, but thereafter the contracting agency, the Fox River Navigational
4 System Authority, the Wisconsin Aerospace Authority, the Lower Fox River
5 Remediation Authority, the Wisconsin Student Loan Refinancing Authority, the
6 Wisconsin Economic Development Corporation, or the Bradley Center Sports and
7 Entertainment Corporation shall request the department to place the name of the
8 party on the ineligible list for state contracts, or the contracting agency, the Fox River
9 Navigational System Authority, the Wisconsin Aerospace Authority, the Lower Fox
10 River Remediation Authority, the Wisconsin Student Loan Refinancing Authority,
11 the Wisconsin Economic Development Corporation, or the Bradley Center Sports
12 and Entertainment Corporation may terminate the contract without liability for the
13 uncompleted portion or any materials or services purchased or paid for by the
14 contracting party for use in completing the contract.

15 **SECTION 27.** 16.85 (2) of the statutes is amended to read:

16 16.85 (2) To furnish engineering, architectural, project management, and other
17 building construction services whenever requisitions therefor are presented to the
18 department by any agency. The department may deposit moneys received from the
19 provision of these services in the account under s. 20.505 (1) (kc) or in the general
20 fund as general purpose revenue — earned. In this subsection, “agency” means an
21 office, department, independent agency, institution of higher education, association,
22 society, or other body in state government created or authorized to be created by the
23 constitution or any law, which is entitled to expend moneys appropriated by law,
24 including the legislature and the courts, but not including an authority created in
25 subch. II of ch. 114 or in ch. 231, 233, 234, 237, 238, 239, or 279.

1 **SECTION 28.** 16.865 (8) of the statutes is amended to read:

2 16.865 (8) Annually in each fiscal year, allocate as a charge to each agency a
3 proportionate share of the estimated costs attributable to programs administered by
4 the agency to be paid from the appropriation under s. 20.505 (2) (k). The department
5 may charge premiums to agencies to finance costs under this subsection and pay the
6 costs from the appropriation on an actual basis. The department shall deposit all
7 collections under this subsection in the appropriation account under s. 20.505 (2) (k).
8 Costs assessed under this subsection may include judgments, investigative and
9 adjustment fees, data processing and staff support costs, program administration
10 costs, litigation costs, and the cost of insurance contracts under sub. (5). In this
11 subsection, “agency” means an office, department, independent agency, institution
12 of higher education, association, society, or other body in state government created
13 or authorized to be created by the constitution or any law, that is entitled to expend
14 moneys appropriated by law, including the legislature and the courts, but not
15 including an authority created in subch. II of ch. 114 or in ch. 231, 232, 233, 234, 237,
16 238, 239, or 279.

17 **SECTION 29.** 19.42 (10) (t) of the statutes is created to read:

18 19.42 (10) (t) The chief executive officer and members of the board of directors
19 of the Wisconsin Student Loan Refinancing Authority.

20 **SECTION 30.** 19.42 (13) (p) of the statutes is created to read:

21 19.42 (13) (p) The chief executive officer and members of the board of directors
22 of the Wisconsin Student Loan Refinancing Authority.

23 **SECTION 31.** 20.005 (3) (schedule) of the statutes: at the appropriate place,
24 insert the following amounts for the purposes indicated:

1 2015-16 2016-17

2 **20.195 Wisconsin Student Loan Refinancing**

3 **Authority**

4 (1) STUDENT LOAN REFINANCING PROGRAM

5 (a) Initial funding GPR B -0- -0-

6 **SECTION 32.** 20.195 of the statutes is created to read:

7 **20.195 Wisconsin Student Loan Refinancing Authority.** There is
8 appropriated to the Wisconsin Student Loan Refinancing Authority for the following
9 programs:

10 (1) STUDENT LOAN REFINANCING PROGRAM. (a) *Initial funding.* Biennially, the
11 amounts in the schedule to fund the initial costs of operating the Wisconsin Student
12 Loan Refinancing Authority and to start the student loan refinancing program under
13 ch. 239.

14 **SECTION 33.** 39.28 (7) of the statutes is created to read:

15 39.28 (7) The board shall create on its Internet site a link to that portion of the
16 department of financial institutions' Internet site created under s. 224.30 (6) (c) and
17 (d).

18 **SECTION 34.** 39.54 of the statutes is created to read:

19 **39.54 Student lending transparency.** (1) In this section, "institution of
20 higher education" means an institution or college campus within the University of
21 Wisconsin System, a technical college within the technical college system, a tribally
22 controlled college, or a private, nonprofit institution of higher education located in
23 this state that provides an educational program for which the institution awards an

1 associate degree or higher or provides a program that is acceptable toward such a
2 degree.

3 (2) Each institution of higher education shall provide to a prospective or newly
4 accepted student and to the student's parents clearly outlined and
5 easy-to-understand information pertaining to all of the following:

6 (a) The total cost of attendance at the institution of higher education.

7 (b) The approximate or, if known, the actual total amount of financial aid that
8 the student would receive from the institution of higher education, and the
9 approximate or, if known, the actual total amount of student loan debt that the
10 student would accumulate, over the course of 4 years if the student were to attend
11 the institution of higher education for 4 years.

12 (c) Student loan rates, repayment plans, default rates, and the actual monthly
13 payment that would be required to pay the student loan debt described in par. (b)
14 when the loan becomes due.

15 (3) Each institution of higher education shall create on its Internet site a link
16 to that portion of the department of financial institutions' Internet site created under
17 s. 224.30 (6) (c) and (d).

18 **SECTION 35.** 39.56 of the statutes is created to read:

19 **39.56 Loan counseling. (1) DEFINITION.** In this section, "institution of higher
20 education" means an institution or college campus within the University of
21 Wisconsin System, a technical college under ch. 38, or any private, nonprofit,
22 educational institution located in this state that provides an educational program for
23 which it awards an associate degree or higher.

24 (2) **APPLICABILITY.** This section applies to any student loan offered by an
25 institution of higher education or a private lender or recommended to a student by

1 an institution of higher education, other than a federally funded, federally insured,
2 or federally guaranteed loan for which counseling is required by 20 USC 1092.

3 **(3) ENTRANCE COUNSELING.** (a) Before a student enters into a student loan
4 agreement, an institution of higher education shall provide the student with
5 comprehensive information on the terms and conditions of a loan and the
6 responsibilities the student has with respect to the loan. The institution shall
7 provide the information during a counseling session conducted in person, on a
8 written form provided to the student that the student signs and returns, or online,
9 with the student acknowledging receipt of the information. The information
10 provided shall include all of the following:

11 1. To the extent practicable, the effect of accepting the loan to be disbursed on
12 the eligibility of the borrower for other forms of student financial assistance.

13 2. How interest accrues and is capitalized during periods when the interest is
14 not paid by the borrower.

15 3. The definitions of full-time and half-time enrollment at the institution of
16 higher education, during regular terms and intersession terms, if applicable, and the
17 consequences of not maintaining full-time or half-time enrollment.

18 4. The importance of contacting the appropriate office at the institution of
19 higher education if the borrower withdraws before completing his or her program of
20 study so that the institution can provide counseling under sub. (4).

21 5. Sample monthly repayment amounts, based on a range of levels of
22 indebtedness.

23 6. The obligation of the borrower to repay the full amount of the loan,
24 irrespective of whether the borrower completes his or her program of study at the
25 institution.

1 7. The likely consequences of default on the loan, including adverse credit
2 reports, delinquent debt collection procedures, and litigation.

3 8. Whether the student has reached the limit on his or her federal student loan
4 opportunities.

5 9. The name of, and contact information for, an individual the borrower may
6 contact if he or she has any questions about the borrower's rights and responsibilities
7 or the terms and conditions of the loan.

8 10. How a student or any member of the public may file a complaint about a
9 lender with the federal Consumer Financial Protection Bureau by calling a toll-free
10 telephone number, or by completing a complaint form, which may be obtained on the
11 bureau's Internet site. The institution of higher education shall also include the
12 toll-free telephone number and Internet site address of the bureau.

13 (b) In conjunction with providing information under par. (a), the institution of
14 higher education shall also do all of the following:

15 1. Clearly distinguish private loans from federal loans in individual financial
16 aid awards by stating, for any private loans included by the institution as part of the
17 institution's award package, all of the following:

18 a. Whether the rate is fixed or variable.

19 b. An explanation that private student loan lenders can offer variable interest
20 rates that can increase or decrease over time, depending on market conditions.

21 c. An explanation that private student loans have a range of interest rates and
22 fees and students should determine the interest rate of, and any fees associated with,
23 the private student loan included in their financial aid award package before
24 accepting the loan.

1 d. An explanation that students should contact the lender of the private
2 student loan or their institution's financial aid office if they have any questions about
3 a private student loan.

4 e. An explanation that the interest rate on a private loan may depend on the
5 borrower's credit rating.

6 2. If the institution of higher education provides a private loan lender list,
7 provide general information about the loans available through the lender and
8 disclose the basis for each lender's inclusion on the list. The institution shall also
9 disclose with the list that the student may choose any lender.

10 (c) 1. A lender may not accept a final and complete application for a private
11 student loan from an applicant, or assess any fees upon an applicant, without first
12 receiving certification from the applicant's institution of higher education that the
13 applicant has received counseling from the institution under pars. (a) and (b) and
14 that the counseling was conducted in person, unless the certification specified that
15 the applicant elected to receive the counseling in a manner other than in person.

16 2. The certification required by subd. 1. shall be signed by the applicant and
17 the institutional counselor, and shall include the date of the counseling and the
18 name, address, and telephone number of both the counselor and the applicant. An
19 electronic facsimile copy of the counseling certification satisfies the requirement
20 under this subdivision. The lender shall maintain the certification in an accurate,
21 reproducible, and accessible format for the term of the student loan.

22 **(4) EXIT COUNSELING.** (a) As close as practicable to the date that a student
23 graduates from, transfers from, withdraws from, or otherwise completes his or her
24 program of study at the institution of higher education, the institution shall provide
25 the student with information relating to all of the following:

1 1. Repayment plans that are available, including a description of the different
2 features of each plan and sample information showing the average anticipated
3 monthly payments, and the difference in interest paid and total payments, under
4 each plan.

5 2. Debt management strategies designed to facilitate the repayment of
6 indebtedness.

7 3. The options to prepay each loan, pay each loan on a shorter schedule, or
8 change repayment plans.

9 4. The likely consequences of default on the loan, including adverse credit
10 reports, delinquent debt collection procedures, and litigation.

11 5. The effects of consolidation on a borrower's underlying loan benefits.

12 6. Grace periods, loan forgiveness, cancellation, and deferment opportunities.

13 7. The borrower benefit programs of different lenders.

14 8. The tax benefits that may be available to borrowers.

15 9. How to enroll in income-based repayment.

16 (b) With respect to a student who leaves an institution of higher education
17 without the knowledge of the institution, the institution shall attempt to provide the
18 information described in par. (a) to the student in writing.

19 **(5) FEE.** An institution of higher education may assess a reasonable fee to the
20 lender to defray the cost of counseling under this section in an amount not exceeding
21 \$50. The higher educational aids board and the department of financial institutions
22 shall jointly promulgate rules to implement and administer this subsection.

23 **SECTION 36.** 40.02 (54) (n) of the statutes is created to read:

24 40.02 **(54)** (n) The Wisconsin Student Loan Refinancing Authority.

25 **SECTION 37.** 70.11 (38v) of the statutes is created to read:

1 70.11 (38v) WISCONSIN STUDENT LOAN REFINANCING AUTHORITY. All property
2 owned by the Wisconsin Student Loan Refinancing Authority, provided that use of
3 the property is primarily related to the purposes of the Wisconsin Student loan
4 Refinancing Authority.

5 **SECTION 38.** 77.54 (9a) (a) of the statutes is amended to read:

6 77.54 (9a) (a) This state or any agency thereof, the University of Wisconsin
7 Hospitals and Clinics Authority, the Wisconsin Aerospace Authority, the Wisconsin
8 Economic Development Corporation, the Wisconsin Student Loan Refinancing
9 Authority, and the Fox River Navigational System Authority.

10 **SECTION 39.** 100.45 (1) (dm) of the statutes is amended to read:

11 100.45 (1) (dm) “State agency” means any office, department, agency,
12 institution of higher education, association, society, or other body in state
13 government created or authorized to be created by the constitution or any law which
14 is entitled to expend moneys appropriated by law, including the legislature and the
15 courts, the Wisconsin Housing and Economic Development Authority, the Bradley
16 Center Sports and Entertainment Corporation, the University of Wisconsin
17 Hospitals and Clinics Authority, the Wisconsin Health and Educational Facilities
18 Authority, the Wisconsin Aerospace Authority, the Wisconsin Economic
19 Development Corporation, the Wisconsin Student Loan Refinancing Authority, and
20 the Fox River Navigational System Authority.

21 **SECTION 40.** 224.30 (6) of the statutes is created to read:

22 224.30 (6) STUDENT LENDING TRANSPARENCY. (a) In this subsection:

23 1. “Higher education expenses” includes all of the following:

24 a. Tuition and fees.

25 b. Books and supplies

1 c. Room and board.

2 2. "Private student loan" means a loan issued by a private lending institution
3 for the purpose of paying for or financing higher education expenses.

4 3. "Private lending institution" means any private entity that itself or through
5 an affiliate makes available student loans to pay for or finance higher education
6 expenses.

7 4. "Student borrower" means any individual who borrows money from a private
8 lending institution to finance higher education expenses.

9 (b) The department shall compile data related to private student loans for the
10 purpose of comparing private lending institutions' student loan interest rates and
11 repayment plans, including all of the following:

12 1. Policies relating to deferment and forbearance.

13 2. Loan default policies and penalties.

14 3. Any other information that the department deems relevant for the purpose
15 of creating a list of private lending institutions that provide the lowest rates and best
16 repayment options on student loans.

17 (c) 1. Using the data compiled under par. (b), the department shall create and
18 maintain a list of private lending institutions that provide the lowest rates and best
19 repayment options on student loans.

20 2. In addition to the list under subd. 1., the department shall compile a list of
21 the 10 best private lending institutions based on rates and policies that are most
22 favorable to the student borrower. The department may also consider the private
23 lending institutions' policies for allowing a student borrower to borrow more than 10
24 percent over the student borrower's total cost of higher education expenses when
25 determining if a private lending institution should be placed on this list.

1 (d) The department shall place the lists created and compiled under par. (c) at
2 an easily accessible location on the department's Internet site. The department shall
3 update its Internet site on a monthly basis to ensure that the student loan
4 information in these lists is current and accurate. Information pertaining to lending
5 institutions that do not make the list compiled under par. (c) 2. shall also be posted
6 on the department's Internet site and those lending institutions that provide the
7 worst rates and strictest repayment options shall be clearly indicated.

8 (e) The department shall make any list or other data under this subsection that
9 appears on the department's Internet site available to be linked as provided in ss.
10 39.28 (7) and 39.54 (3).

11 (f) The department may satisfy its duties under this subsection through a
12 designee or 3rd-party contractor.

13 **SECTION 41.** 230.03 (3) of the statutes, as affected by 2013 Wisconsin Act 20,
14 is amended to read:

15 230.03 (3) "Agency" means any board, commission, committee, council, or
16 department in state government or a unit thereof created by the constitution or
17 statutes if such board, commission, committee, council, department, unit, or the
18 head thereof, is authorized to appoint subordinate staff by the constitution or
19 statute, except the Board of Regents of the University of Wisconsin System, a
20 legislative or judicial board, commission, committee, council, department, or unit
21 thereof or an authority created under subch. II of ch. 114 or under ch. 231, 232, 233,
22 234, 237, 238, 239, or 279. "Agency" does not mean any local unit of government or
23 body within one or more local units of government that is created by law or by action
24 of one or more local units of government.

25 **SECTION 42.** Chapter 239 of the statutes is created to read:

CHAPTER 239

WISCONSIN STUDENT LOAN

REFINANCING AUTHORITY

239.01 Definitions. In this chapter:

(1) “Authority” means the Wisconsin Student Loan Refinancing Authority.

(2) “Board” means the governing board of the authority.

(3) “Qualified education loan” has the meaning given in 26 USC 221 (d).

239.02 Creation and organization of authority. (1) (a) There is created an authority, which is a public body corporate and politic, to be known as the “Wisconsin Student Loan Refinancing Authority.” The members of the board shall consist of all of the following:

1. One member of the majority party in each house of the legislature.

2. One member of the minority party in each house of the legislature.

3. One undergraduate student enrolled at least half-time and in good academic standing at an institution within the University of Wisconsin System who is at least 18 years old and a resident of this state.

4. One student enrolled at least half-time and in good academic standing at a technical college who is at least 18 years old and a resident of this state.

5. One undergraduate student enrolled at least half-time and in good academic standing at a private, nonprofit institution of higher education located in this state who is at least 18 years old and a resident of this state.

6. Two members who have at least 10 years experience in making qualified education loans or loan refinancing, but any person having a financial interest in or whose employer is primarily engaged in the business of making qualified education loans is not eligible for appointment under this subdivision, and any member

1 appointed under this subdivision who acquires such an interest while serving as a
2 member shall resign from the board.

3 (b) 1. The members specified in par. (a) 1. and 2. shall be appointed as are the
4 members of standing committees in their respective houses.

5 2. The members specified in par. (a) 3. to 5. shall be nominated by the governor,
6 and with the advice and consent of the senate appointed, for 2-year terms.

7 3. The members specified in par. (a) 6. shall be nominated by the governor, and
8 with the advice and consent of the senate appointed, for 3-year terms.

9 (2) If a student member of the board appointed under sub. (1) (a) 3. to 5. loses
10 his or her student status upon which the appointment was based, he or she ceases
11 to be a member of the board upon the appointment of a qualified successor to the
12 board. A student member who loses his or her student status solely because he or
13 she graduates from an institution of higher education may complete his or her
14 current term on the board.

15 (3) The members of the board shall annually elect a chairperson and may elect
16 other officers as they consider appropriate. A majority of the members of the board
17 constitutes a quorum for the purpose of conducting its business and exercising its
18 powers and for all other purposes, notwithstanding the existence of any vacancies.
19 Action may be taken by the board upon a vote of a majority of the voting members
20 present.

21 (4) A member of the board may not be compensated for his or her services but
22 shall be reimbursed for actual and necessary expenses, including travel expenses,
23 incurred in the performance of his or her duties.

24 (5) No cause of action of any nature may arise against and no civil liability may
25 be imposed upon a member of the board for any act or omission in the performance

1 of his or her powers and duties under this chapter, unless the person asserting
2 liability proves that the act or omission constitutes willful misconduct.

3 (6) The board shall appoint a chief executive officer who shall not be a member
4 of the board and who shall serve at the pleasure of the board. The chief executive
5 officer shall receive such compensation as the board fixes. The chief executive officer
6 or other person designated by resolution of the board shall keep a record of the
7 proceedings of the authority and shall be custodian of all books, documents, and
8 papers filed with the authority, the minute book or journal of the authority, and its
9 official seal. The chief executive officer or other person may cause copies to be made
10 of all minutes and other records and documents of the authority and may give
11 certificates under the official seal of the authority to the effect that such copies are
12 true copies, and all persons dealing with the authority may rely upon such
13 certificates.

14 **239.03 Powers of board.** The board shall have all the powers necessary or
15 convenient to carry out the purposes and provisions of this chapter. In addition to
16 all other powers granted the board under this chapter, the board may specifically:

17 (1) Adopt, amend, and repeal any bylaws, policies, and procedures for the
18 regulation of its affairs and the conduct of its business.

19 (2) Have a seal and alter the seal at pleasure.

20 (3) Maintain an office.

21 (4) Sue and be sued.

22 (5) Accept gifts, grants, loans, or other contributions from private or public
23 sources.

24 (6) Establish the authority's annual budget and monitor the fiscal
25 management of the authority.

1 (7) Execute contracts and other instruments required for the operation of the
2 authority.

3 (8) Employ any officers, agents, and employees that it may require and
4 determine their qualifications, duties, and compensation.

5 (9) Issue notes, bonds, and any other obligations.

6 (10) Make loans and provide grants.

7 (11) Incur debt.

8 (12) Procure liability insurance.

9 **239.04 Duties of board.** The board shall develop and implement a program
10 under which state residents may refinance qualified education loans. The board
11 shall develop the program to include all of the following:

12 (1) The authority shall provide a loan to an eligible individual to pay all or part
13 of the individual's qualified education loans.

14 (2) The authority may only issue loans under the program that satisfy the
15 exception to discharge under 11 USC 523 (8).

16 (3) The authority shall establish eligibility criteria to participate in the
17 program that is substantially similar to the criteria used by private lenders in the
18 state to evaluate whether an individual qualifies for an unsecured personal loan at
19 market rates.

20 (4) The board shall set the interest rate on loans made under the program to
21 be as low as possible but still sufficient to fully pay all expenses of the program and
22 to provide necessary reserves, as determined by the board.

23 **239.05 Issuance of bonds.** (1) The authority may issue bonds for any
24 corporate purpose. All bonds are negotiable for all purposes, notwithstanding their
25 payment from a limited source.

1 **(2)** Except as otherwise expressly provided by the authority, every issue of its
2 notes or bonds shall be general obligations of the authority payable out of any
3 revenues or moneys of the authority, subject only to any agreements with the holders
4 of particular notes or bonds pledging any particular receipts or revenues.

5 **(3)** All bonds issued by the authority are negotiable investment securities
6 under ch. 408.

7 **(4)** The authority may not issue bonds unless the issuance is first authorized
8 by a bond resolution. Bonds shall bear the dates, mature at the times not exceeding
9 50 years from their dates of issue, bear interest at the rates, be payable at the times,
10 be in the denominations, be in the form, carry the registration and conversion
11 privileges, be executed in the manner, be payable in lawful money of the United
12 States at the places, and be subject to the terms of redemption, that the bond
13 resolution provides. The bonds shall be executed by the manual or facsimile
14 signatures of the officers of the authority designated by the board. The bonds may
15 be sold at public or private sale at the price, in the manner, and at the time
16 determined by the board. Pending preparation of definitive bonds, the authority may
17 issue interim receipts or certificates that shall be exchanged for the definitive bonds.

18 **(5)** The board may include in bond resolution provisions, which shall be a part
19 of the contract with the holders of the bonds that are authorized by the bond
20 resolution, regarding any of the following:

21 (a) Pledging or assigning specified assets or revenues of the authority.

22 (b) Setting aside reserves or sinking funds, and the regulation, investment, and
23 disposition of these funds.

24 (c) Limitations on the purpose to which or the investments in which the
25 proceeds of the sale of any issue of bonds may be applied.

1 (d) Limitations on the issuance of additional bonds, the terms upon which
2 additional bonds may be issued and secured, and the terms upon which additional
3 bonds may rank on a parity with, or be subordinate or superior to, other bonds.

4 (e) Funding, refunding, advance refunding, or purchasing outstanding bonds.

5 (f) Procedures, if any, by which the terms of any contract with bondholders may
6 be amended, the amount of bonds the holders of which must consent to the
7 amendment, and the manner in which this consent may be given.

8 (g) Defining the acts or omissions to act that constitute a default in the duties
9 of the authority to the bondholders, and providing the rights and remedies of the
10 bondholders in the event of a default.

11 (h) Other matters relating to the bonds that the board considers desirable.

12 **(6)** Neither the members of the board nor any person executing the bonds is
13 liable personally on the bonds or subject to any personal liability or accountability
14 by reason of the issuance of the bonds, unless the personal liability or accountability
15 is the result of willful misconduct.

16 **239.06 Bond security.** The authority may secure bonds by a trust agreement,
17 trust indenture, indenture of mortgage, or deed of trust by and between the authority
18 and one or more corporate trustees. A bond resolution providing for the issuance of
19 bonds so secured shall mortgage, pledge, assign, or grant security interests in some
20 or all of the revenues to be received by, and property of, the authority and may contain
21 those provisions for protecting and enforcing the rights and remedies of the
22 bondholders that are reasonable and proper and not in violation of law. A bond
23 resolution may contain other provisions determined by the board to be reasonable
24 and proper for the security of the bondholders.

1 **239.07 Bonds not public debt.** (1) The state is not liable on bonds, and the
2 bonds are not a debt of the state. All bonds shall contain a statement to this effect
3 on the face of the bond. A bond issue does not, directly, indirectly, or contingently,
4 obligate the state or a political subdivision of the state to levy any tax or make any
5 appropriation for payment of the bonds. Nothing in this section prevents the
6 authority from pledging its full faith and credit to the payment of bonds.

7 (2) Nothing in this chapter authorizes the authority to create a debt of the state,
8 and all bonds issued by the authority are payable, and shall state that they are
9 payable, solely from the funds pledged for their payment in accordance with the bond
10 resolution authorizing their issuance or in any trust indenture or mortgage or deed
11 of trust executed as security for the bonds. The state is not liable for the payment
12 of the principal of or interest on a bond or for the performance of any pledge,
13 mortgage, obligation, or agreement that may be undertaken by the authority. The
14 breach of any pledge, mortgage, obligation, or agreement undertaken by the
15 authority does not impose pecuniary liability upon the state or a charge upon its
16 general credit or against its taxing power.

17 **239.08 State pledge.** The state pledges to and agrees with the bondholders,
18 and persons that enter into contracts with the authority under this chapter, that the
19 state will not limit or alter the rights vested in the authority by this chapter before
20 the authority has fully met and discharged the bonds, and any interest due on the
21 bonds, and has fully performed its contracts, unless adequate provision is made by
22 law for the protection of the bondholders or those entering into contracts with the
23 authority.

24 **239.09 Liability limited.** Neither the state nor any political subdivision of
25 the state, nor any officer, employee, or agent of the state or a political subdivision of

1 the state who is acting within the scope of employment or agency, is liable for any
2 debt, obligation, act, or omission of the authority.

3 **239.10 Annual report. (1)** Annually, the board shall submit to the chief clerk
4 of each house of the legislature, for distribution to the legislature under s. 13.172 (2),
5 a report on the activities of the authority, including all of the following:

6 (a) Its operations, accomplishments, goals, and objectives.

7 (b) A statement of income and expenses for the fiscal year.

8 (c) Its assets and liabilities at the end of its fiscal year.

9 (d) A schedule of its bonds and notes outstanding at the end of its fiscal year,
10 together with a statement of the amounts redeemed and incurred during such fiscal
11 year.

12 **(2)** The authority, annually on January 15, shall file with the department of
13 administration and the joint legislative council a complete and current listing of all
14 forms, reports, and papers required by the authority to be completed by any person,
15 other than a governmental body, as a condition of obtaining the approval of the
16 authority or for any other reason. The authority shall attach a blank copy of each
17 such form, report, or paper to the listing.

18 **SECTION 43. Nonstatutory provisions.**

19 (1) STAGGERED TERMS. Notwithstanding the length of terms specified for the
20 members of the board of the Wisconsin Student Loan Refinancing Authority under
21 section 239.02 of the statutes, as created by this act, of the 5 members appointed
22 under section 239.02 (1) (a) 3. to 6. of the statutes, as created by this act, one of the
23 initial members shall be appointed for a term expiring on July 1, 2017, 2 of the initial
24 members shall be appointed for terms expiring on July 1, 2018, and the remaining
25 2 initial members shall be appointed for terms expiring on July 1, 2019.

