



State of Wisconsin  
1999 - 2000 LEGISLATURE

LRB-1806/2

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DOA:.....Wolff - Transferring responsibility for the administration of the college tuition prepayment program from DOA to the office of the state treasurer

FOR 1999-01 BUDGET - NOT READY FOR INTRODUCTION

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AN ACT ...; relating to: the budget.

*Analysis by the Legislative Reference Bureau*

**EDUCATION**

**HIGHER EDUCATION**

Under current law the department of administration (DOA) administers the college tuition prepayment program, which allows an individual, a trust or a legal guardian to purchase tuition units from DOA. The tuition units, which are priced so that the value at maturity of 100 units will be equal to one year of estimated average tuition at a University of Wisconsin (UW) System campus, may be redeemed in the future to pay tuition at any accredited institution of higher education in the United States. This bill transfers administration of the college tuition prepayment program from DOA to the state treasurer.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

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

*[Faint handwritten notes and signatures]*

1           **SECTION 1.** 16.24 (title) and (1) of the statutes are renumbered 14.63 (title) and  
2 (1), and 14.63 (1) (b), as renumbered, is amended to read:

3           14.63 (1) (b) "Institution of higher education" means a public or private  
4 institution of higher education that is accredited by an accrediting association  
5 recognized by the ~~department~~ state treasurer, and a proprietary school approved by  
6 the educational approval board under s. 39.51.

7           **SECTION 2.** 16.24 (2) of the statutes is renumbered 14.63 (2), and 14.63 (2)  
8 (intro.) and (b), as renumbered, are amended to read:

9           14.63 (2) **WEIGHTED AVERAGE TUITION; TUITION UNIT COST.** (intro.) Annually, the  
10 ~~department~~ state treasurer and the board jointly shall determine all of the following:

11           (b) The price of a tuition unit, which shall be valid for a period determined  
12 jointly by the ~~department~~ state treasurer and the board. The price shall be sufficient  
13 to ensure the ability of the ~~department~~ state treasurer to meet its his or her  
14 obligations under this section. To the extent possible, the price shall be set so that  
15 the value of the tuition unit in the anticipated academic year of its use will be equal  
16 to 1% of the weighted average tuition for that academic year plus the costs of  
17 administering the program under this section attributable to the unit.

18           **SECTION 3.** 16.24 (3) of the statutes is renumbered 14.63 (3), and 14.63 (3) (a)  
19 (intro.) and (d), as renumbered, are amended to read:

20           14.63 (3) (a) (intro.) The ~~department~~ state treasurer shall contract with an  
21 individual, a trust or a legal guardian for the sale of tuition units to that individual,  
22 trust or legal guardian if all of the following apply:

23           (d) The ~~department~~ state treasurer shall promulgate rules authorizing a  
24 person who has entered into a contract under this subsection to change the  
25 beneficiary named in the contract.

1           **SECTION 4.** 16.24 (4) of the statutes is renumbered 14.63 (4) and amended to  
2 read:

3           14.63 (4) NUMBER OF TUITION UNITS PURCHASED. A person who enters into a  
4 contract under sub. (3) may purchase tuition units at any time and in any number,  
5 except that the total number of tuition units purchased on behalf of a single  
6 beneficiary may not exceed the number necessary to pay for 4 years of full-time  
7 attendance, including mandatory student fees, as a resident undergraduate at the  
8 institution within the University of Wisconsin System that has the highest resident  
9 undergraduate tuition, as determined by the ~~department~~ state treasurer, in the  
10 anticipated academic years of their use.

11           **SECTION 5.** 16.24 (5) of the statutes is renumbered 14.63 (5), and 14.63 (5) (b)  
12 (intro.), as renumbered, is amended to read:

13           14.63 (5) (b) (intro.) Upon request by the beneficiary, the ~~department~~ state  
14 treasurer shall pay to the institution in each semester of attendance the lesser of the  
15 following:

16           **SECTION 6.** 16.24 (6) of the statutes is renumbered 14.63 (6), and 14.63 (6) (a)  
17 5. and (b), as renumbered, are amended to read:

18           14.63 (6) (a) 5. Other circumstances determined by the ~~department~~ state  
19 treasurer to be grounds for termination.

20           (b) The ~~department~~ state treasurer shall terminate a contract under sub. (3)  
21 if any of the tuition units purchased under the contract remain unused 10 years after  
22 the anticipated academic year of the beneficiary's initial enrollment in an institution  
23 of higher education, as specified in the contract.

24           **SECTION 7.** 16.24 (7) of the statutes is renumbered 14.63 (7), and 14.63 (7) (a)  
25 (intro.), 3., 4. and 5. and (b), as renumbered, are amended to read:

1           14.63 (7) (a) (intro.) Except as provided in sub. (7m), the department state  
2 treasurer shall do all of the following:

3           3. If a contract is terminated under sub. (6) (a) 4. or (b), refund to the person  
4 who entered into the contract an amount equal to 99% of the amount determined  
5 under subd. 2. If a contract is terminated under sub. (6) (a) 4., the department state  
6 treasurer may not issue a refund for one year following receipt of the notice of  
7 termination and may not issue a refund of more than 100 tuition units in any year.

8           4. If a contract is terminated under sub. (6) (a) 5., refund to the person who  
9 entered into the contract the amount under subd. 2. or under subd. 3., as determined  
10 by the department state treasurer.

11           5. If the beneficiary is awarded a scholarship, tuition waiver or similar subsidy  
12 that cannot be converted into cash by the beneficiary, refund to the person who  
13 entered into the contract, upon the person's request, an amount equal to the value  
14 of the tuition units that are not needed because of the scholarship, waiver or similar  
15 subsidy and that would otherwise have been paid by the department state treasurer  
16 on behalf of the beneficiary during the semester in which the beneficiary is enrolled.

17           (b) Except as provided under par. (a) 3., the department state treasurer shall  
18 determine the method and schedule for the payment of refunds under this  
19 subsection.

20           **SECTION 8.** 16.24 (7m) of the statutes is renumbered 14.63 (7m), and 14.63 (7m)  
21 (a) (intro.), (b) and (c), as renumbered, are amended to read:

22           14.63 (7m) (a) (intro.) The department state treasurer may adjust the value of  
23 a tuition unit based on the actual earnings attributable to the tuition unit less the  
24 costs of administering the program under this section that are attributable to the  
25 tuition unit if any of the following applies:

1 (b) The ~~department~~ state treasurer may not increase the value of a tuition unit  
2 under par. (a) to an amount that exceeds the value of a tuition unit that was  
3 purchased at a similar time, held for a similar period and used or refunded in the  
4 anticipated academic year of the beneficiary's attendance, as specified in the  
5 contract.

6 (c) The ~~department~~ state treasurer may promulgate rules imposing or  
7 increasing penalties for refunds under sub. (7) (a) if the ~~department~~ state treasurer  
8 determines that such rules are necessary to maintain the status of the program  
9 under this section as a qualified state tuition program under section 529 of the  
10 Internal Revenue Code, as defined in s. 71.01 (6).

11 **SECTION 9.** 16.24 (9) to (11) of the statutes are renumbered 14.63 (9) to (11), and  
12 14.63 (9), (10) and (10m), as renumbered, are amended to read:

13 14.63 (9) CONTRACT WITH ACTUARY. The ~~department~~ state treasurer shall  
14 contract with an actuary or actuarial firm to evaluate annually whether the assets  
15 in the tuition trust fund are sufficient to meet the obligations of the ~~department~~ state  
16 treasurer under this section and to advise the ~~department~~ state treasurer on setting  
17 the price of a tuition unit under sub. (2) (b).

18 (10) REPORTS. (a) Annually, the ~~department~~ state treasurer shall submit a  
19 report to the governor, and to the appropriate standing committees of the legislature  
20 under s. 13.172 (3), on the program under this section. The report shall include any  
21 recommendations for changes to the program that the ~~department~~ state treasurer  
22 determines are necessary to ensure the sufficiency of the tuition trust fund to meet  
23 the ~~department's~~ state treasurer's obligations under this section.

24 (b) The ~~department~~ state treasurer shall submit a quarterly report to the state  
25 investment board projecting the future cash flow needs of the tuition trust fund. The

1 state investment board shall invest moneys held in the tuition trust fund in  
2 investments with maturities and liquidity that are appropriate for the needs of the  
3 fund as reported by the ~~department state treasurer~~ in its his or her quarterly reports.  
4 All income derived from such investments shall be credited to the fund.

5 (10m) REPAYMENT TO GENERAL FUND. The secretary of administration shall  
6 transfer from the tuition trust fund to the general fund an amount equal to the  
7 amount encumbered from the appropriation under s. ~~20.505 (9)~~ 20.585 (2) (a) when  
8 the secretary of administration determines that funds in the tuition trust fund are  
9 sufficient to make the transfer. The secretary of administration may make the  
10 transfer in instalments.

11 SECTION 10. 16.24 (12) and (13) of the statutes are renumbered 14.63 (12) and  
12 (13), and 14.63 (12) (title), (a) (intro.) and (b) (intro.) and (13), as renumbered, are  
13 amended to read:

14 14.63 (12) (title) ADDITIONAL DEPARTMENT DUTIES AND POWERS OF THE STATE  
15 TREASURER.

16 (a) (intro.) The ~~department state treasurer~~ shall do all of the following:

17 (b) (intro.) The ~~department state treasurer~~ may do any of the following:

18 (13) PROGRAM TERMINATION. If the ~~department state treasurer~~ determines that  
19 the program under this section is financially infeasible, the ~~department state~~  
20 ~~treasurer~~ shall discontinue entering into tuition prepayment contracts under sub.  
21 (3) and discontinue selling tuition units under sub. (4).

22 SECTION 11. 20.505 (9) of the statutes is renumbered 20.585 (2) and amended  
23 to read:

24 20.585 (2) COLLEGE TUITION PREPAYMENT PROGRAM. (a) Administrative expenses;  
25 ~~initial funds~~ ~~As a continuing appropriation, the~~ The amounts in the schedule for the

*general fund*

*initial funds*

*plain period*

*plain space*

1 administrative expenses of the college tuition prepayment program under s. ~~16.24~~  
2 14.63, including the expense of promoting the program.

3 (q) *Payment of tuition.* From the tuition trust fund, a sum sufficient for the  
4 payment of tuition under s. ~~16.24~~ 14.63 (5).

5 (r) *Payment of refunds.* From the tuition trust fund, a sum sufficient for the  
6 payment of refunds under s. ~~16.24~~ 14.63 (7). ⑤  
tuition trust fund

7 ⑦ ~~Administrative expenses~~ (s) *Administrative expenses.* From the tuition trust fund, the amounts in the  
8 schedule for the administrative expenses of the college tuition prepayment program  
9 under s. ~~16.24~~ 14.63, including the expense of promoting the program.

10 ✓  
⑦  
29 → **SECTION 12.** 25.80 of the statutes is amended to read:

11 **25.80 Tuition trust fund.** There is established a separate nonlapsible trust  
12 fund designated as the tuition trust fund, consisting of all revenue from enrollment  
13 fees and the sale of tuition units under s. ~~16.24~~ 14.63.

14 **SECTION 13.** 71.05 (6) (b) 23. of the statutes is amended to read:

15 71.05 (6) (b) 23. Any increase in value of a tuition unit that is purchased under  
16 a tuition contract under s. ~~16.24~~ 14.63.

17 **SECTION 14.** 815.18 (3) (o) of the statutes is amended to read:

18 815.18 (3) (o) *Tuition units.* Tuition units purchased under s. ~~16.24~~ 14.63.

19 **SECTION 9101. Nonstatutory provisions; administration.**

20 (1) **TRANSFER OF COLLEGE TUITION PREPAYMENT PROGRAM.**

21 (a) *Assets and liabilities.* On the effective date of this paragraph, the assets and  
22 liabilities of the department of administration primarily related to the  
23 administration of the college tuition prepayment program, as determined by the  
24 secretary of administration, shall become the assets and liabilities of the state  
25 treasurer.

1           (b) *Employe transfers.* All incumbent employes holding positions in the  
2 department of administration performing duties primarily related to the  
3 administration of the college tuition prepayment program, as determined by the  
4 secretary of administration, are transferred on the effective date of this paragraph  
5 to the state treasurer.

6           (c) *Employe status.* Employes transferred under paragraph (b) have all the  
7 rights and the same status under subchapter V of chapter 111 and chapter 230 of the  
8 statutes in the state treasurer's office that they enjoyed in the department of  
9 administration immediately before the transfer. Notwithstanding section 230.28 (4)  
10 of the statutes, no employe so transferred who has attained permanent status in  
11 class is required to serve a probationary period.

12           (d) *Tangible personal property.* On the effective date of this paragraph, all  
13 tangible personal property, including records, of the department of administration  
14 that is primarily related to the administration of the college tuition prepayment  
15 program, as determined by the secretary of administration, is transferred to the  
16 state treasurer.

17           (e) *Contracts.* All contracts entered into by the department of administration  
18 that are in effect on the effective date of this paragraph and that are primarily related  
19 to the administration of the college tuition prepayment program, as determined by  
20 the secretary of administration, remain in effect and are transferred to the state  
21 treasurer. The state treasurer shall carry out any such contractual obligations until  
22 modified or rescinded by the state treasurer to the extent allowed under contract.

23           (f) *Rules and orders.* All rules promulgated by the department of  
24 administration that are in effect on the effective date of this paragraph and that are  
25 primarily related to the administration of the college tuition prepayment program,



1 as determined by the secretary of administration, remain in effect until their  
2 specified expiration date or until amended or repealed by the state treasurer. All  
3 orders issued by the department of administration that are in effect on the effective  
4 date of this paragraph and that are primarily related to the administration of the  
5 college tuition prepayment program, as determined by the secretary of  
6 administration, remain in effect until their specified expiration date or until  
7 modified or rescinded by the state treasurer.

8 (g) *Pending matters.* Any matters pending with the department of  
9 administration on the effective date of this paragraph that are primarily related to  
10 the administration of the college tuition prepayment program, as determined by the  
11 secretary of administration, are transferred to the state treasurer and all materials  
12 submitted to or actions taken by the department of administration with respect to  
13 the pending matters are considered as having been submitted or taken by the state  
14 treasurer.

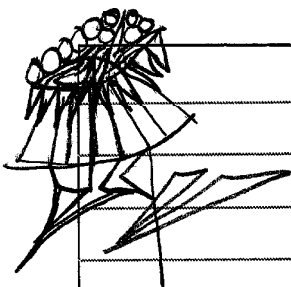
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(END)

2-9<sup>✓</sup>

\*\*\* NOTE : huc<sup>✓</sup>

STATE OF WISCONSIN - LEGISLATIVE REFERENCE BUREAU - LEGAL SECTION  
(608-266-3561)



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State of Wisconsin  
1999 - 2000 LEGISLATURE

LRB-1806/2

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DOA:.....Wolff - Transferring responsibility for the administration of the college tuition prepayment program from DOA to the office of the state treasurer

FOR 1999-01 BUDGET -- NOT READY FOR INTRODUCTION

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1 AN ACT ...; relating to: the budget.

*Analysis by the Legislative Reference Bureau*

**EDUCATION**

**HIGHER EDUCATION**

Under current law the department of administration (DOA) administers the college tuition prepayment program, which allows an individual, a trust or a legal guardian to purchase tuition units from DOA. The tuition units, which are priced so that the value at maturity of 100 units will be equal to one year of estimated average tuition at a University of Wisconsin (UW) System campus, may be redeemed in the future to pay tuition at any accredited institution of higher education in the United States. This bill transfers administration of the college tuition prepayment program from DOA to the state treasurer. (A) ✓

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

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

1           **SECTION 1.** 16.24 (title) and (1) of the statutes are renumbered 14.63 (title) and  
2 (1), and 14.63 (1) (b), as renumbered, is amended to read:

3           14.63 (1) (b) "Institution of higher education" means a public or private  
4 institution of higher education that is accredited by an accrediting association  
5 recognized by the ~~department state treasurer~~, and a proprietary school approved by  
6 the ~~educational approval board~~ <sup>higher educational arts ✓</sup> under s. 39.51.

7           **SECTION 2.** 16.24 (2) of the statutes is renumbered 14.63 (2), and 14.63 (2)  
8 (intro.) and (b), as renumbered, are amended to read:

9           14.63 (2) **WEIGHTED AVERAGE TUITION; TUITION UNIT COST.** (intro.) Annually, the  
10 ~~department state treasurer~~ and the board jointly shall determine all of the following:

11           (b) The price of a tuition unit, which shall be valid for a period determined  
12 jointly by the ~~department state treasurer~~ and the board. The price shall be sufficient  
13 to ensure the ability of the ~~department state treasurer~~ to meet its his or her  
14 obligations under this section. To the extent possible, the price shall be set so that  
15 the value of the tuition unit in the anticipated academic year of its use will be equal  
16 to 1% of the weighted average tuition for that academic year plus the costs of  
17 administering the program under this section attributable to the unit.

18           **SECTION 3.** 16.24 (3) of the statutes is renumbered 14.63 (3), and 14.63 (3) (a)  
19 (intro.) and (d), as renumbered, are amended to read:

20           14.63 (3) (a) (intro.) The ~~department state treasurer~~ shall contract with an  
21 individual, a trust or a legal guardian for the sale of tuition units to that individual,  
22 trust or legal guardian if all of the following apply:

23           (d) The ~~department state treasurer~~ shall promulgate rules authorizing a  
24 person who has entered into a contract under this subsection to change the  
25 beneficiary named in the contract.

1 SECTION 4. 16.24 (4) of the statutes is renumbered 14.63 (4) and amended to  
2 read:

3 14.63 (4) NUMBER OF TUITION UNITS PURCHASED. A person who enters into a  
4 contract under sub. (3) may purchase tuition units at any time and in any number,  
5 except that the total number of tuition units purchased on behalf of a single  
6 beneficiary may not exceed the number necessary to pay for 4 years of full-time  
7 attendance, including mandatory student fees, as a resident undergraduate at the  
8 institution within the University of Wisconsin System that has the highest resident  
9 undergraduate tuition, as determined by the ~~department~~ state treasurer, in the  
10 anticipated academic years of their use.

✓ (a) and

3-12 ✓  
11  
12

11 SECTION 5. 16.24 (5) of the statutes is renumbered 14.63 (5), and 14.63 (5) (b)  
12 (intro.) <sup>and 2.</sup> as renumbered, <sup>are</sup> amended to read:

13 ~~14.63 (5)~~ (b) (intro.) Upon request by the beneficiary, the ~~department~~ state  
14 treasurer shall pay to the institution in each semester of attendance the lesser of the  
15 following:

3-15 ✓  
A  
then  
3-15 B

16 SECTION 6. 16.24 (6) of the statutes is renumbered 14.63 (6), and 14.63 (6) (a)  
17 5. and (b), as renumbered, are amended to read:

18 14.63 (6) (a) 5. Other circumstances determined by the ~~department~~ state  
19 treasurer to be grounds for termination.

20 (b) The ~~department~~ state treasurer shall terminate a contract under sub. (3)  
21 if any of the tuition units purchased under the contract remain unused 10 years after  
22 the anticipated academic year of the beneficiary's initial enrollment in an institution  
23 of higher education, as specified in the contract.

24 SECTION 7. 16.24 (7) of the statutes is renumbered 14.63 (7), and 14.63 (7) (a)  
25 (intro.), 3., 4. and 5. and (b), as renumbered, are amended to read:

1           14.63 (7) (a) (intro.) Except as provided in sub. (7m), the department state  
2 treasurer shall do all of the following:

3           3. If a contract is terminated under sub. (6) (a) 4. or (b), refund to the person  
4 who entered into the contract an amount equal to 99% of the amount determined

5 ~~under subd. 2. If a contract is terminated under sub. (6) (a) 4., the department state~~

6 ~~treasurer may not issue a refund for one year following receipt of the notice of~~

7 ~~termination and may not issue a refund of more than 100 tuition units in any year.~~

8           4. If a contract is terminated under sub. (6) (a) 5., refund to the person who  
9 entered into the contract the amount under subd. 2. or under subd. 3., as determined

10 by the department state treasurer.

11           5. If the beneficiary is awarded a scholarship, tuition waiver or similar subsidy  
12 that cannot be converted into cash by the beneficiary, refund to the person who  
13 entered into the contract, upon the person's request, an amount equal to the value  
14 of the tuition units that are not needed because of the scholarship, waiver or similar  
15 subsidy and that would otherwise have been paid by the department state treasurer  
16 on behalf of the beneficiary during the semester in which the beneficiary is enrolled.

17 (b) ~~Except as provided under par. (a) 3., the department~~ <sup>The</sup> state treasurer shall  
18 determine the method and schedule for the payment of refunds under this  
19 subsection.

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20           **SECTION 8.** 16.24 (7m) of the statutes is renumbered 14.63 (7m), and 14.63 (7m)

21 (a) (intro.), (b) and (c), as renumbered, are amended to read:

22           14.63 (7m) (a) (intro.) The department state treasurer may adjust the value of  
23 a tuition unit based on the actual earnings attributable to the tuition unit less the  
24 costs of administering the program under this section that are attributable to the  
25 tuition unit if any of the following applies:

1 (b) The department state treasurer may not increase the value of a tuition unit  
2 under par. (a) to an amount that exceeds the value of a tuition unit that was  
3 purchased at a similar time, held for a similar period and used or refunded in the  
4 anticipated academic year of the beneficiary's attendance, as specified in the  
5 contract.

6 (c) The department state treasurer may promulgate rules imposing or  
7 increasing penalties for refunds under sub. (7) (a) if the department state treasurer  
8 determines that such rules are necessary to maintain the status of the program  
9 under this section as a qualified state tuition program under section 529 of the  
10 Internal Revenue Code, as defined in s. 71.01 (6).

11 **SECTION 9.** 16.24 (9) to (11) of the statutes are renumbered 14.63 (9) to (11), and  
12 14.63 (9), (10) ~~and~~ (10m) <sup>and (11)(b)</sup> as renumbered, are amended to read:

13 14.63 (9) CONTRACT WITH ACTUARY. The department state treasurer shall  
14 contract with an actuary or actuarial firm to evaluate annually whether the assets  
15 in the tuition trust fund are sufficient to meet the obligations of the department state  
16 treasurer under this section and to advise the department state treasurer on setting  
17 the price of a tuition unit under sub. (2) (b).

18 (10) REPORTS. (a) Annually, the department state treasurer shall submit a  
19 report to the governor, and to the appropriate standing committees of the legislature  
20 under s. 13.172 (3), on the program under this section. The report shall include any  
21 recommendations for changes to the program that the department state treasurer  
22 determines are necessary to ensure the sufficiency of the tuition trust fund to meet  
23 the department's state treasurer's obligations under this section.

24 (b) The department state treasurer shall submit a quarterly report to the state  
25 investment board projecting the future cash flow needs of the tuition trust fund. The

5-10



1 state investment board shall invest moneys held in the tuition trust fund in  
 2 investments with maturities and liquidity that are appropriate for the needs of the  
 3 fund as reported by the ~~department state treasurer~~ in its his or her quarterly reports.  
 4 All income derived from such investments shall be credited to the fund.

5 (10m) REPAYMENT TO GENERAL FUND. The secretary of administration shall  
 6 transfer from the tuition trust fund to the general fund an amount equal to the  
 7 amount encumbered from the appropriation under s. ~~20.505 (9)~~ 20.585 (2) (a) when  
 8 the secretary of administration determines that funds in the tuition trust fund are  
 9 sufficient to make the transfer. The secretary of administration may make the  
 10 transfer in instalments.

11 **SECTION 10.** 16.24 (12) and (13) of the statutes are renumbered 14.63 (12) and  
 12 (13), and 14.63 (12) (title), (a) (intro.) and (b) (intro.) and (13), as renumbered, are  
 13 amended to read:

14 14.63 (12) (title) ~~ADDITIONAL DEPARTMENT DUTIES AND POWERS OF THE STATE~~  
 15 TREASURER.

16 (a) (intro.) The ~~department state treasurer~~ shall do all of the following:

17 (b) (intro.) The ~~department state treasurer~~ may do any of the following:

18 (13) PROGRAM TERMINATION. If the ~~department state treasurer~~ determines that  
 19 the program under this section is financially infeasible, the ~~department state~~  
 20 treasurer shall discontinue entering into tuition prepayment contracts under sub.  
 21 (3) and discontinue selling tuition units under sub. (4).

22 **SECTION 11.** 20.505 (9) of the statutes is renumbered 20.585 (2) and amended  
 23 to read:

24 20.585 (2) COLLEGE TUITION PREPAYMENT PROGRAM. (a) *Administrative expenses;*  
 25 *initial funds general fund.* ~~As a continuing appropriation, the~~ The amounts in the

1 schedule for the administrative expenses of the college tuition prepayment program  
2 under s. ~~16.24~~ 14.63, including the expense of promoting the program.

3 (q) *Payment of tuition.* From the tuition trust fund, a sum sufficient for the  
4 payment of tuition under s. ~~16.24~~ 14.63 (5).

5 (r) *Payment of refunds.* From the tuition trust fund, a sum sufficient for the  
6 payment of refunds under s. ~~16.24~~ 14.63 (7).

7 (s) *Administrative expenses; tuition trust fund.* From the tuition trust fund, the  
8 amounts in the schedule for the administrative expenses of the college tuition  
9 prepayment program under s. ~~16.24~~ 14.63, including the expense of promoting the  
10 program.

\*\*\*\*NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

11 **SECTION 12.** 25.80 of the statutes is amended to read:

12 **25.80 Tuition trust fund.** There is established a separate nonlapsible trust  
13 fund designated as the tuition trust fund, consisting of all revenue from enrollment  
14 fees and the sale of tuition units under s. ~~16.24~~ 14.63.

15 **SECTION 13.** 71.05 (6) (b) 23. of the statutes is amended to read:

16 71.05 (6) (b) 23. Any increase in value of a tuition unit that is purchased under  
17 a tuition contract under s. ~~16.24~~ 14.63.

18 **SECTION 14.** 815.18 (3) (o) of the statutes is amended to read:

19 815.18 (3) (o) *Tuition units.* Tuition units purchased under s. ~~16.24~~ 14.63.

20 **SECTION 9101. Nonstatutory provisions; administration.**

21 (1) **TRANSFER OF COLLEGE TUITION PREPAYMENT PROGRAM.**

22 (a) *Assets and liabilities.* On the effective date of this paragraph, the assets and  
23 liabilities of the department of administration primarily related to the

1 administration of the college tuition prepayment program, as determined by the  
2 secretary of administration, shall become the assets and liabilities of the state  
3 treasurer.

4 (b) *Employee transfers.* All incumbent employes holding positions in the  
5 department of administration performing duties primarily related to the  
6 administration of the college tuition prepayment program, as determined by the  
7 secretary of administration, are transferred on the effective date of this paragraph  
8 to the state treasurer.

9 (c) *Employee status.* Employes transferred under paragraph (b) have all the  
10 rights and the same status under subchapter V of chapter 111 and chapter 230 of the  
11 statutes in the state treasurer's office that they enjoyed in the department of  
12 administration immediately before the transfer. Notwithstanding section 230.28 (4)  
13 of the statutes, no employe so transferred who has attained permanent status in  
14 class is required to serve a probationary period.

15 (d) *Tangible personal property.* On the effective date of this paragraph, all  
16 tangible personal property, including records, of the department of administration  
17 that is primarily related to the administration of the college tuition prepayment  
18 program, as determined by the secretary of administration, is transferred to the  
19 state treasurer.

20 (e) *Contracts.* All contracts entered into by the department of administration  
21 that are in effect on the effective date of this paragraph and that are primarily related  
22 to the administration of the college tuition prepayment program, as determined by  
23 the secretary of administration, remain in effect and are transferred to the state  
24 treasurer. The state treasurer shall carry out any such contractual obligations until  
25 modified or rescinded by the state treasurer to the extent allowed under contract.

1           (f) *Rules and orders.* All rules promulgated by the department of  
2 administration that are in effect on the effective date of this paragraph and that are  
3 primarily related to the administration of the college tuition prepayment program,  
4 as determined by the secretary of administration, remain in effect until their  
5 specified expiration date or until amended or repealed by the state treasurer. All  
6 orders issued by the department of administration that are in effect on the effective  
7 date of this paragraph and that are primarily related to the administration of the  
8 college tuition prepayment program, as determined by the secretary of  
9 administration, remain in effect until their specified expiration date or until  
10 modified or rescinded by the state treasurer.

11           (g) *Pending matters.* Any matters pending with the department of  
12 administration on the effective date of this paragraph that are primarily related to  
13 the administration of the college tuition prepayment program, as determined by the  
14 secretary of administration, are transferred to the state treasurer and all materials  
15 submitted to or actions taken by the department of administration with respect to  
16 the pending matters are considered as having been submitted or taken by the state  
17 treasurer.

18

(END)

DOA:.....Caucutt - Modify tuition prepayment program (EDVEST)  
FOR 1999-01 BUDGET - NOT READY FOR INTRODUCTION

1 AN ACT ...; relating to: the college tuition prepayment program.

*Analysis by the Legislative Reference Bureau*

**EDUCATION**

**HIGHER EDUCATION**

*A* <sup>also</sup> This bill makes two modifications to the ~~college tuition prepayment~~ program under which an individual may contract with the department of administration (DOA) to purchase tuition units on behalf of a named beneficiary. Under current law, if a contract is terminated, under certain circumstances DOA may not issue a refund for one year and may not issue a refund of more than 100 tuition units in any year. This bill eliminates these restrictions. The bill also clarifies that tuition units may be used to pay mandatory student fees.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

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

2 SECTION 1. 16.24 (5) (a) of the statutes is amended to read:

3 16.24 (5) (a) Except as provided in sub. (7m), if an individual named as

4 beneficiary in a contract under sub. (3) attends an institution of higher education in

26

\*\*\*NOTE: This is reconciled s. 16.24 (1)(b) ✓.

This section has been affected by LRB-1518 and

LRB-1806.

DOA:.....Caucutt - Modify tuition prepayment program (EDVEST)  
FOR 1999-01 BUDGET - NOT READY FOR INTRODUCTION

1 AN ACT ...; relating to: the college tuition prepayment program.

*Analysis by the Legislative Reference Bureau*

**EDUCATION**

**HIGHER EDUCATION**

This bill makes two modifications to the college tuition prepayment program, under which an individual may contract with the department of administration (DOA) to purchase tuition units on behalf of a named beneficiary. Under current law, if a contract is terminated, under certain circumstances DOA may not issue a refund for one year and may not issue a refund of more than 100 tuition units in any year. This bill eliminates these restrictions. The bill also clarifies that tuition units may be used to pay mandatory student fees.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

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

2 SECTION 1. 16.24 (5) (a) of the statutes is amended to read:

3 <sup>19.63</sup>  
4 ~~16.24~~ (5) (a) Except as provided in sub. (7m), if an individual named as beneficiary in a contract under sub. (3) attends an institution of higher education in

3-12



## SECTION 1

3-12 cont

1 the United States, each tuition unit purchased on his or her behalf entitles that  
2 beneficiary to apply toward the payment of tuition <sup>✓</sup> and mandatory student fees at the  
3 institution an amount equal to 1% of the anticipated weighted average tuition of  
4 bachelor's degree-granting institutions within the University of Wisconsin System  
5 for the year of attendance, as estimated under sub. (2) in the year in which the tuition  
6 unit was purchased. (end ins 3-12)

7 SECTION 2. 16.24 (5) (b) 2. of the statutes is amended to read:

8 16.24 (5) (b) 2. An amount equal to the sum of the institution's tuition and  
9 mandatory student fees for that semester.

10 SECTION 3. 16.24 (7) (a) 3. of the statutes is amended to read:

11 16.24 (7) (a) 3. If a contract is terminated under sub. (6) (a) 4. or (b), refund to  
12 the person who entered into the contract an amount equal to 99% of the amount  
13 determined under subd. 2. ~~If a contract is terminated under sub. (6) (a) 4., the~~  
14 ~~department may not issue a refund for one year following receipt of the notice of~~  
15 ~~termination and may not issue a refund of more than 100 tuition units in any year.~~

16 SECTION 4. 16.24 (7) (b) of the statutes is amended to read:

17 16.24 (7) (b) ~~Except as provided under par. (a) 3., the~~ The department shall  
18 determine the method and schedule for the payment of refunds under this  
19 subsection.

20 SECTION 5. 16.24 (8) of the statutes is amended to read:

21 16.24 (8) EXEMPTION FROM GARNISHMENT, ATTACHMENT AND EXECUTION. Moneys  
22 deposited in the tuition trust fund and a beneficiary's right to the payment of tuition  
23 and mandatory student fees under this section are not subject to garnishment,  
24 attachment, execution or any other process of law.

25 SECTION 6. 16.24 (11) (b) of the statutes is amended to read:



SECTION 1

1 the United States, each tuition unit purchased on his or her behalf entitles that  
2 beneficiary to apply toward the payment of tuition and mandatory student fees at the  
3 institution an amount equal to 1% of the anticipated weighted average tuition of  
4 bachelor's degree-granting institutions within the University of Wisconsin System  
5 for the year of attendance, as estimated under sub. (2) in the year in which the tuition  
6 unit was purchased.

7 SECTION 2. 16.24 (5) (b) 2. of the statutes is amended to read:

8 ~~16.24 (5) (b) 2.~~ <sup>3-15 A</sup> An amount equal to the sum of the institution's tuition and  
9 mandatory student fees for that semester.

10 SECTION 3. 16.24 (7) (a) 3. of the statutes is amended to read:

11 16.24 (7) (a) 3. If a contract is terminated under sub. (6) (a) 4. or (b), refund to  
12 the person who entered into the contract an amount equal to 99% of the amount  
13 determined under subd. 2. ~~If a contract is terminated under sub. (6) (a) 4., the~~  
14 ~~department may not issue a refund for one year following receipt of the notice of~~  
15 ~~termination and may not issue a refund of more than 100 tuition units in any year.~~

16 SECTION 4. 16.24 (7) (b) of the statutes is amended to read:

17 16.24 (7) (b) ~~Except as provided under par. (a) 3., the~~ The department shall  
18 determine the method and schedule for the payment of refunds under this  
19 subsection.

Fix  
component

20 SECTION 5. 16.24 (8) of the statutes is amended to read:

5-10

21 ~~16.24 (8)~~ <sup>14.63</sup> EXEMPTION FROM GARNISHMENT, ATTACHMENT AND EXECUTION. Moneys  
22 deposited in the tuition trust fund and a beneficiary's right to the payment of tuition  
23 and mandatory student fees under this section are not subject to garnishment,  
24 attachment, execution or any other process of law.

renumbered 14.63 (8) and

25 ~~SECTION 6. 16.24 (11) (b) of the statutes is amended to read:~~

A.A. N.C.C.

3-15 B

\*\*\* NOTE: This is reconciled

s. 16.24 (5)(a) and (b) 2. <sup>ese</sup> These sections

have been affected <sup>by</sup> LRB-1806 and

LRB-0346.

4-19

reconciled  
\*\*\* NOTE: This is reconciled s. 16.24(7) (g)  
3. and (b) ✓. These sections have been  
affected by LRB-1806 and LRB-  
A 0346 •

6-10

1  
2  
3  
4

~~10.24~~<sup>7P</sup> (11) (b) The requirements to pay tuition and mandatory student fees ✓  
under sub. (5) and to make refunds under sub. (7) are subject to the availability of  
sufficient assets in the tuition trust fund.

(END)

DN

Michael Wolff and Dan Caucutt :

# This draft reconciles LRB-1806,  
LRB-0346 and LRB-1516. It  
replaces LRB-0346 in the compiled bill.

PG

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**DRAFTER'S NOTE  
FROM THE  
LEGISLATIVE REFERENCE BUREAU**

LRB-1806/3dn  
PG&MJL:cmh&jlg:hmh

Tuesday, February 2, 1999

Michael Wolff and Dan Caucutt:

This draft reconciles LRB-1806, LRB-0346 and LRB-1516. It replaces LRB-0346 in the compiled bill.

Peter R. Grant  
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State of Wisconsin  
1999 - 2000 LEGISLATURE

LRB-1806/3  
PG&MJL:cmh&jlg:hmh

DOA:.....Wolff – Transferring responsibility for the administration of the college tuition prepayment program from DOA to the office of the state treasurer

FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION

1 AN ACT ...; relating to: the budget.

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*Analysis by the Legislative Reference Bureau*

**EDUCATION**

**HIGHER EDUCATION**

Under current law the department of administration (DOA) administers the college tuition prepayment program, which allows an individual, a trust or a legal guardian to purchase tuition units from DOA. The tuition units, which are priced so that the value at maturity of 100 units will be equal to one year of estimated average tuition at a University of Wisconsin (UW) System campus, may be redeemed in the future to pay tuition at any accredited institution of higher education in the United States.

This bill transfers administration of the college tuition prepayment program from DOA to the state treasurer. The bill also makes two modifications to the program. Under current law, if a contract is terminated, under certain circumstances DOA may not issue a refund for one year and may not issue a refund of more than 100 tuition units in any year. This bill eliminates these restrictions. The bill also clarifies that tuition units may be used to pay mandatory student fees.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

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

1           **SECTION 1.** 16.24 (title) and (1) of the statutes are renumbered 14.63 (title) and  
2 (1), and 14.63 (1) (b), as renumbered, is amended to read:

3           14.63 (1) (b) “Institution of higher education” means a public or private  
4 institution of higher education that is accredited by an accrediting association  
5 recognized by the ~~department~~ state treasurer, and a proprietary school approved by  
6 the ~~educational approval~~ higher educational aids board under s. 39.51.

      \*\*\*\*NOTE: This is reconciled s. 16.24 (1) (b). This section has been affected by  
LRB-1518 and LRB-1806.

7           **SECTION 2.** 16.24 (2) of the statutes is renumbered 14.63 (2), and 14.63 (2)  
8 (intro.) and (b), as renumbered, are amended to read:

9           14.63 (2) **WEIGHTED AVERAGE TUITION; TUITION UNIT COST.** (intro.) Annually, the  
10 ~~department~~ state treasurer and the board jointly shall determine all of the following:

11           (b) The price of a tuition unit, which shall be valid for a period determined  
12 jointly by the ~~department~~ state treasurer and the board. The price shall be sufficient  
13 to ensure the ability of the ~~department~~ state treasurer to meet its his or her  
14 obligations under this section. To the extent possible, the price shall be set so that  
15 the value of the tuition unit in the anticipated academic year of its use will be equal  
16 to 1% of the weighted average tuition for that academic year plus the costs of  
17 administering the program under this section attributable to the unit.

18           **SECTION 3.** 16.24 (3) of the statutes is renumbered 14.63 (3), and 14.63 (3) (a)  
19 (intro.) and (d), as renumbered, are amended to read:



1           14.63 (3) (a) (intro.) The ~~department~~ state treasurer shall contract with an  
2 individual, a trust or a legal guardian for the sale of tuition units to that individual,  
3 trust or legal guardian if all of the following apply:

4           (d) The ~~department~~ state treasurer shall promulgate rules authorizing a  
5 person who has entered into a contract under this subsection to change the  
6 beneficiary named in the contract.

7           **SECTION 4.** 16.24 (4) of the statutes is renumbered 14.63 (4) and amended to  
8 read:

9           14.63 (4) NUMBER OF TUITION UNITS PURCHASED. A person who enters into a  
10 contract under sub. (3) may purchase tuition units at any time and in any number,  
11 except that the total number of tuition units purchased on behalf of a single  
12 beneficiary may not exceed the number necessary to pay for 4 years of full-time  
13 attendance, including mandatory student fees, as a resident undergraduate at the  
14 institution within the University of Wisconsin System that has the highest resident  
15 undergraduate tuition, as determined by the ~~department~~ state treasurer, in the  
16 anticipated academic years of their use.

17           **SECTION 5.** 16.24 (5) of the statutes is renumbered 14.63 (5), and 14.63 (5) (a)  
18 and (b) (intro.) and 2., as renumbered, are amended to read:

19           14.63 (5) (a) Except as provided in sub. (7m), if an individual named as  
20 beneficiary in a contract under sub. (3) attends an institution of higher education in  
21 the United States, each tuition unit purchased on his or her behalf entitles that  
22 beneficiary to apply toward the payment of tuition and mandatory student fees at the  
23 institution an amount equal to 1% of the anticipated weighted average tuition of  
24 bachelor's degree-granting institutions within the University of Wisconsin System

1 for the year of attendance, as estimated under sub. (2) in the year in which the tuition  
2 unit was purchased.

3 (b) (intro.) Upon request by the beneficiary, the ~~department~~ state treasurer  
4 shall pay to the institution in each semester of attendance the lesser of the following:

5 2. An amount equal to the sum of the institution's tuition and mandatory  
6 student fees for that semester.

\*\*\*NOTE: This is reconciled s. 16.24 (5) (a) and (b) 2. These sections have been  
affected by LRB-1806 and LRB-0346.

7 **SECTION 6.** 16.24 (6) of the statutes is renumbered 14.63 (6), and 14.63 (6) (a)  
8 5. and (b), as renumbered, are amended to read:

9 14.63 (6) (a) 5. Other circumstances determined by the ~~department~~ state  
10 treasurer to be grounds for termination.

11 (b) The ~~department~~ state treasurer shall terminate a contract under sub. (3)  
12 if any of the tuition units purchased under the contract remain unused 10 years after  
13 the anticipated academic year of the beneficiary's initial enrollment in an institution  
14 of higher education, as specified in the contract.

15 **SECTION 7.** 16.24 (7) of the statutes is renumbered 14.63 (7), and 14.63 (7) (a)  
16 (intro.), 3., 4. and 5. and (b), as renumbered, are amended to read:

17 14.63 (7) (a) (intro.) Except as provided in sub. (7m), the ~~department~~ state  
18 treasurer shall do all of the following:

19 3. If a contract is terminated under sub. (6) (a) 4. or (b), refund to the person  
20 who entered into the contract an amount equal to 99% of the amount determined  
21 under subd. 2. ~~If a contract is terminated under sub. (6) (a) 4., the department may~~  
22 ~~not issue a refund for one year following receipt of the notice of termination and may~~  
23 ~~not issue a refund of more than 100 tuition units in any year.~~

1           4. If a contract is terminated under sub. (6) (a) 5., refund to the person who  
2 entered into the contract the amount under subd. 2. or under subd. 3., as determined  
3 by the ~~department~~ state treasurer.

4           5. If the beneficiary is awarded a scholarship, tuition waiver or similar subsidy  
5 that cannot be converted into cash by the beneficiary, refund to the person who  
6 entered into the contract, upon the person's request, an amount equal to the value  
7 of the tuition units that are not needed because of the scholarship, waiver or similar  
8 subsidy and that would otherwise have been paid by the ~~department~~ state treasurer  
9 on behalf of the beneficiary during the semester in which the beneficiary is enrolled.

10           (b) ~~Except as provided under par. (a) 3., the department~~ The state treasurer  
11 shall determine the method and schedule for the payment of refunds under this  
12 subsection.

\*\*\*\*NOTE: This is reconciled s. 16.24 (7) (a) 3. and (b). These sections have been  
affected by LRB-1806 and LRB-0346.

13           **SECTION 8.** 16.24 (7m) of the statutes is renumbered 14.63 (7m), and 14.63 (7m)  
14 (a) (intro.), (b) and (c), as renumbered, are amended to read:

15           14.63 (7m) (a) (intro.) ~~The department~~ state treasurer may adjust the value of  
16 a tuition unit based on the actual earnings attributable to the tuition unit less the  
17 costs of administering the program under this section that are attributable to the  
18 tuition unit if any of the following applies:

19           (b) ~~The department~~ state treasurer may not increase the value of a tuition unit  
20 under par. (a) to an amount that exceeds the value of a tuition unit that was  
21 purchased at a similar time, held for a similar period and used or refunded in the  
22 anticipated academic year of the beneficiary's attendance, as specified in the  
23 contract.

1 (c) The ~~department~~ state treasurer may promulgate rules imposing or  
2 increasing penalties for refunds under sub. (7) (a) if the ~~department~~ state treasurer  
3 determines that such rules are necessary to maintain the status of the program  
4 under this section as a qualified state tuition program under section 529 of the  
5 Internal Revenue Code, as defined in s. 71.01 (6).

6 **SECTION 9.** 16.24 (8) of the statutes is renumbered 14.63 (8) and amended to  
7 read:

8 14.63 (8) EXEMPTION FROM GARNISHMENT, ATTACHMENT AND EXECUTION. Moneys  
9 deposited in the tuition trust fund and a beneficiary's right to the payment of tuition  
10 and mandatory student fees under this section are not subject to garnishment,  
11 attachment, execution or any other process of law.

12 **SECTION 10.** 16.24 (9) to (11) of the statutes are renumbered 14.63 (9) to (11),  
13 and 14.63 (9), (10), (10m) and (11) (b), as renumbered, are amended to read:

14 14.63 (9) CONTRACT WITH ACTUARY. The ~~department~~ state treasurer shall  
15 contract with an actuary or actuarial firm to evaluate annually whether the assets  
16 in the tuition trust fund are sufficient to meet the obligations of the ~~department~~ state  
17 treasurer under this section and to advise the ~~department~~ state treasurer on setting  
18 the price of a tuition unit under sub. (2) (b).

19 (10) REPORTS. (a) Annually, the ~~department~~ state treasurer shall submit a  
20 report to the governor, and to the appropriate standing committees of the legislature  
21 under s. 13.172 (3), on the program under this section. The report shall include any  
22 recommendations for changes to the program that the ~~department~~ state treasurer  
23 determines are necessary to ensure the sufficiency of the tuition trust fund to meet  
24 the ~~department's~~ state treasurer's obligations under this section.

1 (b) The ~~department~~ state treasurer shall submit a quarterly report to the state  
2 investment board projecting the future cash flow needs of the tuition trust fund. The  
3 state investment board shall invest moneys held in the tuition trust fund in  
4 investments with maturities and liquidity that are appropriate for the needs of the  
5 fund as reported by the ~~department~~ state treasurer in its his or her quarterly reports.  
6 All income derived from such investments shall be credited to the fund.

7 (10m) REPAYMENT TO GENERAL FUND. The secretary of administration shall  
8 transfer from the tuition trust fund to the general fund an amount equal to the  
9 amount encumbered from the appropriation under s. ~~20.505 (9)~~ 20.585 (2) (a) when  
10 the secretary of administration determines that funds in the tuition trust fund are  
11 sufficient to make the transfer. The secretary of administration may make the  
12 transfer in instalments.

13 (11) (b) The requirements to pay tuition and mandatory student fees under sub.  
14 (5) and to make refunds under sub. (7) are subject to the availability of sufficient  
15 assets in the tuition trust fund.

16 **SECTION 11.** 16.24 (12) and (13) of the statutes are renumbered 14.63 (12) and  
17 (13), and 14.63 (12) (title), (a) (intro.) and (b) (intro.) and (13), as renumbered, are  
18 amended to read:

19 14.63 (12) (title) ~~ADDITIONAL DEPARTMENT DUTIES AND POWERS OF THE STATE~~  
20 TREASURER.

21 (a) (intro.) The ~~department~~ state treasurer shall do all of the following:

22 (b) (intro.) The ~~department~~ state treasurer may do any of the following:

23 (13) PROGRAM TERMINATION. If the ~~department~~ state treasurer determines that  
24 the program under this section is financially infeasible, the ~~department~~ state

1 treasurer shall discontinue entering into tuition prepayment contracts under sub.  
2 (3) and discontinue selling tuition units under sub. (4).

3 **SECTION 12.** 20.505 (9) of the statutes is renumbered 20.585 (2) and amended  
4 to read:

5 20.585 (2) COLLEGE TUITION PREPAYMENT PROGRAM. (a) *Administrative expenses;*  
6 *initial funds general fund.* ~~As a continuing appropriation, the~~ The amounts in the  
7 schedule for the administrative expenses of the college tuition prepayment program  
8 under s. ~~16.24~~ 14.63, including the expense of promoting the program.

9 (q) *Payment of tuition.* From the tuition trust fund, a sum sufficient for the  
10 payment of tuition under s. ~~16.24~~ 14.63 (5).

11 (r) *Payment of refunds.* From the tuition trust fund, a sum sufficient for the  
12 payment of refunds under s. ~~16.24~~ 14.63 (7).

13 (s) *Administrative expenses; tuition trust fund.* From the tuition trust fund, the  
14 amounts in the schedule for the administrative expenses of the college tuition  
15 prepayment program under s. ~~16.24~~ 14.63, including the expense of promoting the  
16 program.

\*\*\*\*NOTE: This SECTION involves a change in an appropriation that must be  
reflected in the revised schedule in s. 20.005, stats.

17 **SECTION 13.** 25.80 of the statutes is amended to read:

18 **25.80 Tuition trust fund.** There is established a separate nonlapsible trust  
19 fund designated as the tuition trust fund, consisting of all revenue from enrollment  
20 fees and the sale of tuition units under s. ~~16.24~~ 14.63.

21 **SECTION 14.** 71.05 (6) (b) 23. of the statutes is amended to read:

22 71.05 (6) (b) 23. Any increase in value of a tuition unit that is purchased under  
23 a tuition contract under s. ~~16.24~~ 14.63.

1           **SECTION 15.** 815.18 (3) (o) of the statutes is amended to read:

2           815.18 (3) (o) *Tuition units.* Tuition units purchased under s. ~~16.24~~ 14.63.

3           **SECTION 9101. Nonstatutory provisions; administration.**

4           (1) TRANSFER OF COLLEGE TUITION PREPAYMENT PROGRAM.

5           (a) *Assets and liabilities.* On the effective date of this paragraph, the assets and  
6 liabilities of the department of administration primarily related to the  
7 administration of the college tuition prepayment program, as determined by the  
8 secretary of administration, shall become the assets and liabilities of the state  
9 treasurer.

10          (b) *Employe transfers.* All incumbent employes holding positions in the  
11 department of administration performing duties primarily related to the  
12 administration of the college tuition prepayment program, as determined by the  
13 secretary of administration, are transferred on the effective date of this paragraph  
14 to the state treasurer.

15          (c) *Employe status.* Employes transferred under paragraph (b) have all the  
16 rights and the same status under subchapter V of chapter 111 and chapter 230 of the  
17 statutes in the state treasurer's office that they enjoyed in the department of  
18 administration immediately before the transfer. Notwithstanding section 230.28 (4)  
19 of the statutes, no employe so transferred who has attained permanent status in  
20 class is required to serve a probationary period.

21          (d) *Tangible personal property.* On the effective date of this paragraph, all  
22 tangible personal property, including records, of the department of administration  
23 that is primarily related to the administration of the college tuition prepayment  
24 program, as determined by the secretary of administration, is transferred to the  
25 state treasurer.

1           (e) *Contracts.* All contracts entered into by the department of administration  
2 that are in effect on the effective date of this paragraph and that are primarily related  
3 to the administration of the college tuition prepayment program, as determined by  
4 the secretary of administration, remain in effect and are transferred to the state  
5 treasurer. The state treasurer shall carry out any such contractual obligations until  
6 modified or rescinded by the state treasurer to the extent allowed under contract.

7           (f) *Rules and orders.* All rules promulgated by the department of  
8 administration that are in effect on the effective date of this paragraph and that are  
9 primarily related to the administration of the college tuition prepayment program,  
10 as determined by the secretary of administration, remain in effect until their  
11 specified expiration date or until amended or repealed by the state treasurer. All  
12 orders issued by the department of administration that are in effect on the effective  
13 date of this paragraph and that are primarily related to the administration of the  
14 college tuition prepayment program, as determined by the secretary of  
15 administration, remain in effect until their specified expiration date or until  
16 modified or rescinded by the state treasurer.

17           (g) *Pending matters.* Any matters pending with the department of  
18 administration on the effective date of this paragraph that are primarily related to  
19 the administration of the college tuition prepayment program, as determined by the  
20 secretary of administration, are transferred to the state treasurer and all materials  
21 submitted to or actions taken by the department of administration with respect to  
22 the pending matters are considered as having been submitted or taken by the state  
23 treasurer.

24                               (END)