

2015 DRAFTING REQUEST

Bill

Received: 1/7/2015 Received By: agary
Wanted: As time permits Same as LRB:
For: Dave Hansen (608) 266-5670 By/Representing: Jon Mielke
May Contact: Drafter: agary
Subject: Fin. Inst. - int. rates/loans Addl. Drafters: mshovers
Fin. Inst. - miscellaneous
Higher Education - financial aid
Higher Education - miscellaneous Extra Copies: MDK
Tax, Individual - dedct/sbtrct

Submit via email: YES
Requester's email: Sen.Hansen@legis.wisconsin.gov
Carbon copy (CC) to: aaron.gary@legis.wisconsin.gov
marc.shovers@legis.wisconsin.gov

Pre Topic:

No specific pre topic given

Topic:

Student loans, creating the Wisconsin Student Loan Refinancing Authority, and income tax deductions for tuition and student fees

Instructions:

Redraft 2013 SB 376 (same as AB 498). See attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	agary 1/7/2015	jdye 1/15/2015		_____			
/P1	agary	wjackson	rschlue	_____	lparisi		State

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/1	1/16/2015	1/17/2015	1/15/2015	_____	1/15/2015		Tax
				_____	lparisi	lparisi	State
				_____	1/19/2015	1/27/2015	Tax

FE Sent For:

<END>

At
Intro.

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				_____	1/19/2015		Tax

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/P1			rschlue	_____	lparisi		State

1 WJ 1/17

Vers. Drafted

Reviewed

Typed
1/15/2015

Proofed

Submitted
1/15/2015

Jacketed

Required
Tax

FE Sent For:

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1?	agary	PI 1/15 jld	jd				

FE Sent For:

Gary, Aaron

From: LRB.Legal
Sent: Wednesday, January 07, 2015 12:09 PM
To: Gary, Aaron; Kunkel, Mark
Subject: FW: Message from LRB website

From: Mielke, Jon
Sent: Wednesday, January 07, 2015 11:29 AM
To: LRB.Legal
Subject: Message from LRB website

Senator Hansen would like to have 2013 Senate Bill 376 redrafted for the current session.

Thank you,

Jon Mielke
Office of Sen. Dave Hansen



State of Wisconsin
2015 - 2016 LEGISLATURE

in
1/7



LRB-0268101-1144/PI
ARG&MES:wlj:rs

↑ keep

Wisc. Stat. 1/1/14

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

↓ Note

4

Regen

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), 71.05 (6) (b) 28. (intro.), am. and h., 77.54 (9a)
6 (a), 100.45 (1) (dm) and 230.03 (3); and **to create** 13.94 (1) (dt), 13.94 (1s) (c) 9.,
7 19.42 (10) (t), 19.42 (13) (p), 20.195, 39.28 (7), 39.52, 39.54, 39.56, 40.02 (54) (n),
8 70.11 (38v), 71.05 (6) (b) 28. j., 224.30 (5) and chapter 239 of the statutes;
9 **relating to:** student loans, the individual income tax subtract modification for
10 tuition and student fees, creating an authority to be known as the Wisconsin
11 Student Loan Refinancing Authority, granting rule-making authority, and
12 making an appropriation.

Analysis by the Legislative Reference Bureau
The Wisconsin Student Loan Refinancing Authority

This bill 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 bill, 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 bill, 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 bill requires the Department of Financial Institutions (DFI) 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 bill through a designee or third-party contractor.

The bill also requires an institution or college campus within the University of Wisconsin (UW) 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 bill requires an institution of higher education and the Higher Educational Aids Board (HEAB) 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 bill.

Student loan counseling

This bill 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 bill, 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 bill 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 bill 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 bill.

Income tax subtraction

Under current law, there is an individual income tax subtraction for amounts paid by a claimant for tuition expenses and mandatory student fees for a student who is the claimant or the claimant's dependent under the Internal Revenue Code, to attend an institution of higher education that is approved by the Educational Approval Board and that is located in Wisconsin, or to attend certain postsecondary schools in Minnesota to which the Minnesota–Wisconsin reciprocity agreement applies. The tuition expenses and fees for which a subtraction may be claimed are calculated based on the amount of tuition charged by the UW System at four-year institutions.

Also under current law, the subtraction that a claimant may claim for such tuition expenses and mandatory student fees is reduced as the claimant's annual federal adjusted gross income (FAGI) increases until, at a certain point, no subtraction may be claimed. Currently, the allowable subtraction phases out, for a single person or a married person filing as a head of household, as the claimant's FAGI increases from \$50,000 to \$60,000. Once such a claimant's FAGI exceeds \$60,000, he or she may not claim the subtraction. For a married person filing a joint return, the phaseout occurs as the married couple's joint FAGI increases from \$80,000 to \$100,000, and no subtraction is allowed once the married couple's joint

FAGI exceeds \$100,000. The phaseout for a married person filing a separate return occurs as the claimant's FAGI increases from \$40,000 to \$50,000, and no subtraction is allowed once the claimant's FAGI exceeds \$50,000.

Under this bill, the phase-out provisions do not apply to a taxable year that begins after December 31, 2013.

This bill also expands the definition of tuition expenses to include any amount paid by a claimant in the year to which the claim relates on a student loan, the proceeds of which were used by the claimant to pay the claimant's expenses for tuition, fees, books, room and board, and educational supplies that were directly related to the claimant's attendance at an eligible institution. The bill defines eligible institution as a regionally accredited, nonprofit, postsecondary educational institution.

Student loan debt report

Under current law, HEAB administers certain grant and loan programs for resident students enrolled in institutions of higher education in this state.

This bill requires HEAB to submit an annual report to the Joint Committee on Finance regarding student loan debt incurred in the previous year by resident undergraduate students enrolled in institutions of higher education located in this state. The report must include that information, together with all of the following:

1. The statewide average amount of student loan debt incurred in the previous year by resident undergraduate students enrolled in institutions of higher education located in this state.
2. A comparison of that statewide average to the national average amount of student loan debt incurred in the previous year by undergraduate students enrolled in institutions of higher education in the United States.
3. A comparison of that statewide average to the statewide average amount of student loan debt incurred in the previous year by undergraduate students in the state with the lowest ratio of statewide average student loan debt to the lowest quintile of state per capita income.

Because this bill relates to an exemption from state or local taxes, it may be referred to the Joint Survey Committee on Tax Exemptions for a report to be printed as an appendix to the bill.

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.** 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

1 government created or authorized to be created by the constitution or any law, that
2 is entitled to expend moneys appropriated by law, including the legislature and the
3 courts, and any authority created in subch. II of ch. 114 or in ch. 231, 233, 234, 238,
4 239, or 279.

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

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

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

20 13.62 (2) “Agency” means any board, commission, department, office, society,
21 institution of higher education, council, or committee in the state government, or any
22 authority created in subch. II of ch. 114 or in ch. 231, 232, 233, 234, 237, 238, 239,
23 or 279, except that the term does not include a council or committee of the legislature.

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

SECTION 4

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

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

7 13.94 (1s) (c) 9. The Wisconsin Student Loan Refinancing Authority for the cost
8 of the audit required to be performed under sub. (1) (dt).

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

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

1 annual budget from appropriations made by state law, including subgrantee or
2 subcontractor recipients of such funds.

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

4 **13.95 Legislative fiscal bureau.** (intro.) There is created a bureau to be
5 known as the “Legislative Fiscal Bureau” headed by a director. The fiscal bureau
6 shall be strictly nonpartisan and shall at all times observe the confidential nature
7 of the research requests received by it; however, with the prior approval of the
8 requester in each instance, the bureau may duplicate the results of its research for
9 distribution. Subject to s. 230.35 (4) (a) and (f), the director or the director’s
10 designated employees shall at all times, with or without notice, have access to all
11 state agencies, the University of Wisconsin Hospitals and Clinics Authority, the
12 Wisconsin Aerospace Authority, the Lower Fox River Remediation Authority, the
13 Wisconsin Student Loan Refinancing Authority, the Wisconsin Economic
14 Development Corporation, and the Fox River Navigational System Authority, and to
15 any books, records, or other documents maintained by such agencies or authorities
16 and relating to their expenditures, revenues, operations, and structure.

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

18 16.002 (2) “Departments” means constitutional offices, departments, and
19 independent agencies and includes all societies, associations, and other agencies of
20 state government for which appropriations are made by law, but not including
21 authorities created in subch. II of ch. 114 or in ch. 231, 232, 233, 234, 237, 238, 239,
22 or 279.

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

24 16.004 (4) **FREEDOM OF ACCESS.** The secretary and such employees of the
25 department as the secretary designates may enter into the offices of state agencies

SECTION 9

1 and authorities created under subch. II of ch. 114 and under chs. 231, 233, 234, 237,
2 238, 239, and 279, and may examine their books and accounts and any other matter
3 that in the secretary's judgment should be examined and may interrogate the
4 agency's employees publicly or privately relative thereto.

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

6 16.004 (5) AGENCIES AND EMPLOYEES TO COOPERATE. All state agencies and
7 authorities created under subch. II of ch. 114 and under chs. 231, 233, 234, 237, 238,
8 239, and 279, and their officers and employees, shall cooperate with the secretary
9 and shall comply with every request of the secretary relating to his or her functions.

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

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

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

20 16.045 (1) (a) "Agency" means an office, department, independent agency,
21 institution of higher education, association, society, or other body in state
22 government created or authorized to be created by the constitution or any law, that
23 is entitled to expend moneys appropriated by law, including the legislature and the
24 courts, but not including an authority created in subch. II of ch. 114 or in ch. 231, 232,
25 233, 234, 237, 238, 239, or 279.

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

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

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

7 16.41 (4) In this section, “authority” means a body created under subch. II of
8 ch. 114 or under ch. 231, 233, 234, 237, 238, 239, or 279.

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

10 16.417 (1) (b) “Authority” means a body created under subch. II of ch. 114 or
11 ch. 231, 232, 233, 234, 237, 238, 239, or 279.

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

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

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

24 16.528 (1) (a) “Agency” means an office, department, independent agency,
25 institution of higher education, association, society, or other body in state

1 government created or authorized to be created by the constitution or any law, that
2 is entitled to expend moneys appropriated by law, including the legislature and the
3 courts, but not including an authority created in subch. II of ch. 114 or in ch. 231, 233,
4 234, 237, 238, 239, or 279.

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

6 16.53 (2) IMPROPER INVOICES. If an agency receives an improperly completed
7 invoice, the agency shall notify the sender of the invoice within 10 working days after
8 it receives the invoice of the reason it is improperly completed. In this subsection,
9 “agency” means an office, department, independent agency, institution of higher
10 education, association, society, or other body in state government created or
11 authorized to be created by the constitution or any law, that is entitled to expend
12 moneys appropriated by law, including the legislature and the courts, but not
13 including an authority created in subch. II of ch. 114 or in ch. 231, 233, 234, 237, 238,
14 239, or 279.

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

16 16.54 (9) (a) 1. “Agency” means an office, department, independent agency,
17 institution of higher education, association, society or other body in state
18 government created or authorized to be created by the constitution or any law, which
19 is entitled to expend moneys appropriated by law, including the legislature and the
20 courts, but not including an authority created in subch. II of ch. 114 or in ch. 231, 233,
21 234, 237, 238, 239, or 279.

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

23 16.765 (1) Contracting agencies, the University of Wisconsin Hospitals and
24 Clinics Authority, the Fox River Navigational System Authority, the Wisconsin
25 Aerospace Authority, the Lower Fox River Remediation Authority, the Wisconsin

1 Student Loan Refinancing Authority, the Wisconsin Economic Development
2 Corporation, and the Bradley Center Sports and Entertainment Corporation shall
3 include in all contracts executed by them a provision obligating the contractor not
4 to discriminate against any employee or applicant for employment because of age,
5 race, religion, color, handicap, sex, physical condition, developmental disability as
6 defined in s. 51.01 (5), sexual orientation as defined in s. 111.32 (13m), or national
7 origin and, except with respect to sexual orientation, obligating the contractor to take
8 affirmative action to ensure equal employment opportunities.

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

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

1 to be provided by the contracting officer setting forth the provisions of the
2 nondiscrimination clause”.

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

4 16.765 (5) The head of each contracting agency and the boards of directors of
5 the University of Wisconsin Hospitals and Clinics Authority, the Fox River
6 Navigational System Authority, the Wisconsin Aerospace Authority, the Lower Fox
7 River Remediation Authority, the Wisconsin Student Loan Refinancing Authority,
8 the Wisconsin Economic Development Corporation, and the Bradley Center Sports
9 and Entertainment Corporation shall be primarily responsible for obtaining
10 compliance by any contractor with the nondiscrimination and affirmative action
11 provisions prescribed by this section, according to procedures recommended by the
12 department. The department shall make recommendations to the contracting
13 agencies and the boards of directors of the University of Wisconsin Hospitals and
14 Clinics Authority, the Fox River Navigational System Authority, the Wisconsin
15 Aerospace Authority, the Lower Fox River Remediation Authority, the Wisconsin
16 Student Loan Refinancing Authority, the Wisconsin Economic Development
17 Corporation, and the Bradley Center Sports and Entertainment Corporation for
18 improving and making more effective the nondiscrimination and affirmative action
19 provisions of contracts. The department shall promulgate such rules as may be
20 necessary for the performance of its functions under this section.

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

22 16.765 (6) The department may receive complaints of alleged violations of the
23 nondiscrimination provisions of such contracts. The department shall investigate
24 and determine whether a violation of this section has occurred. The department may
25 delegate this authority to the contracting agency, the University of Wisconsin

1 Hospitals and Clinics Authority, the Fox River Navigational System Authority, the
2 Wisconsin Aerospace Authority, the Lower Fox River Remediation Authority, the
3 Wisconsin Student Loan Refinancing Authority, the Wisconsin Economic
4 Development Corporation, or the Bradley Center Sports and Entertainment
5 Corporation for processing in accordance with the department's procedures.

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

7 16.765 (7) (intro.) When a violation of this section has been determined by the
8 department, the contracting agency, 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, or the Bradley Center Sports and Entertainment Corporation, the
13 contracting agency, the University of Wisconsin Hospitals and Clinics Authority, the
14 Fox River Navigational System Authority, the Wisconsin Aerospace Authority, the
15 Lower Fox River Remediation Authority, the Wisconsin Student Loan Refinancing
16 Authority, the Wisconsin Economic Development Corporation, or the Bradley Center
17 Sports and Entertainment Corporation shall:

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

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

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

2 16.765 (8) If further violations of this section are committed during the term
3 of the contract, the contracting agency, the Fox River Navigational System Authority,
4 the Wisconsin Aerospace Authority, the Lower Fox River Remediation Authority, the
5 Wisconsin Student Loan Refinancing Authority, the Wisconsin Economic
6 Development Corporation, or the Bradley Center Sports and Entertainment
7 Corporation may permit the violating party to complete the contract, after complying
8 with this section, but thereafter the contracting agency, the Fox River Navigational
9 System Authority, the Wisconsin Aerospace Authority, the Lower Fox River
10 Remediation Authority, the Wisconsin Student Loan Refinancing Authority, the
11 Wisconsin Economic Development Corporation, or the Bradley Center Sports and
12 Entertainment Corporation shall request the department to place the name of the
13 party on the ineligible list for state contracts, or the contracting agency, the Fox River
14 Navigational System Authority, the Wisconsin Aerospace Authority, the Lower Fox
15 River Remediation Authority, the Wisconsin Student Loan Refinancing Authority,
16 the Wisconsin Economic Development Corporation, or the Bradley Center Sports
17 and Entertainment Corporation may terminate the contract without liability for the
18 uncompleted portion or any materials or services purchased or paid for by the
19 contracting party for use in completing the contract.

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

21 16.85 (2) To furnish engineering, architectural, project management, and other
22 building construction services whenever requisitions therefor are presented to the
23 department by any agency. The department may deposit moneys received from the
24 provision of these services in the account under s. 20.505 (1) (kc) or in the general
25 fund as general purpose revenue — earned. In this subsection, “agency” means an

1 office, department, independent agency, institution of higher education, association,
2 society, or other body in state government created or authorized to be created by the
3 constitution or any law, which is entitled to expend moneys appropriated by law,
4 including the legislature and the courts, but not including an authority created in
5 subch. II of ch. 114 or in ch. 231, 233, 234, 237, 238, 239, or 279.

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

7 16.865 (8) Annually in each fiscal year, allocate as a charge to each agency a
8 proportionate share of the estimated costs attributable to programs administered by
9 the agency to be paid from the appropriation under s. 20.505 (2) (k). The department
10 may charge premiums to agencies to finance costs under this subsection and pay the
11 costs from the appropriation on an actual basis. The department shall deposit all
12 collections under this subsection in the appropriation account under s. 20.505 (2) (k).
13 Costs assessed under this subsection may include judgments, investigative and
14 adjustment fees, data processing and staff support costs, program administration
15 costs, litigation costs, and the cost of insurance contracts under sub. (5). In this
16 subsection, “agency” means an office, department, independent agency, institution
17 of higher education, association, society, or other body in state government created
18 or authorized to be created by the constitution or any law, that is entitled to expend
19 moneys appropriated by law, including the legislature and the courts, but not
20 including an authority created in subch. II of ch. 114 or in ch. 231, 232, 233, 234, 237,
21 238, 239, or 279.

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

23 19.42 (10) (t) The chief executive officer and members of the board of directors
24 of the Wisconsin Student Loan Refinancing Authority.

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

1 19.42 (13) (p) The chief executive officer and members of the board of directors
2 of the Wisconsin Student Loan Refinancing Authority.

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

	2015-16	2016-17
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6 **20.195 Wisconsin Student Loan Refinancing**

7 **Authority**

8 (1) STUDENT LOAN REFINANCING PROGRAM

9 (a)	Initial funding	GPR	B	-0-	-0-
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10 **SECTION 32.** 20.195 of the statutes is created to read:

11 **20.195 Wisconsin Student Loan Refinancing Authority.** There is
12 appropriated to the Wisconsin Student Loan Refinancing Authority for the following
13 programs:

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

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

19 39.28 (7) The board shall create on its Internet site a link to that portion of the
20 department of financial institutions' Internet site created under s. 224.30 (5) (c) and
21 (d).

22 **SECTION 34.** 39.52 of the statutes is created to read:

23 **39.52 Student loan debt reports.** (1) By January 1 of each year, the Board
24 of Regents of the University of Wisconsin System shall provide to the board the

1 average amount of student loan incurred in the previous year by resident
2 undergraduate students enrolled in each institution within that system, the
3 technical college system board shall provide to the board the average amount of
4 student loan debt incurred in the previous year by resident undergraduate students
5 enrolled in each technical college within that system, each tribally controlled college
6 in this state shall provide to the board the average amount of student loan debt
7 incurred in the previous year by resident undergraduate students enrolled in that
8 tribally controlled college, and the Wisconsin Association of Independent Colleges
9 and Universities or a successor organization shall provide to the board the average
10 amount of student loan debt incurred in the previous year by resident undergraduate
11 students enrolled in each of the private, nonprofit accredited institutions of higher
12 education in this state.

13 (2) By March 1 of each year, the board shall do all of the following:

14 (a) Compile the information provided to the board under sub. (1) and, from that
15 information, compute the statewide average amount of student loan debt incurred
16 in the previous year by resident undergraduate students enrolled in the institutions
17 specified in sub. (1).

18 (b) Compare the amount computed under par. (a) to the national average
19 amount of student loan debt incurred in the previous year by undergraduate
20 students enrolled in institutions of higher education in the United States.

21 (c) Compare the amount computed under par. (a) to the statewide average
22 amount of student loan debt incurred in the previous year by undergraduate
23 students in the state with the lowest ratio of statewide average student loan debt to
24 the lowest quintile of state per capita income.

1 (d) Submit to the joint committee on finance a report regarding student loan
2 debt incurred in the previous year by resident undergraduate students at the
3 institutions specified in sub. (1). The report shall include the information provided
4 to the board under sub. (1), the statewide average amount of student loan debt
5 computed under par. (a), and the comparisons described in pars. (b) and (c).

6 **SECTION 35.** 39.54 of the statutes is created to read:

7 **39.54 Student lending transparency. (1)** In this section, “institution of
8 higher education” means an institution or college campus within the University of
9 Wisconsin System, a technical college within the technical college system, a tribally
10 controlled college, or a private, nonprofit institution of higher education located in
11 this state that provides an educational program for which the institution awards a
12 bachelor’s degree or higher or provides a program that is acceptable toward such a
13 degree.

14 (2) Each institution of higher education shall provide to a prospective or newly
15 accepted student and to the student’s parents clearly outlined and
16 easy-to-understand information pertaining to all of the following:

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

18 (b) The approximate or, if known, the actual total amount of financial aid that
19 the student would receive from the institution of higher education, and the
20 approximate or, if known, the actual total amount of student loan debt that the
21 student would accumulate, over the course of 4 years if the student were to attend
22 the institution of higher education for 4 years.

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

1 **(3)** Each institution of higher education shall create on its Internet site a link
2 to that portion of the department of financial institutions' Internet site created under
3 s. 224.30 (5) (c) and (d).

4 **SECTION 36.** 39.56 of the statutes is created to read:

5 **39.56 Loan counseling. (1) DEFINITION.** In this section, “institution of higher
6 education” means an institution or college campus within the University of
7 Wisconsin System, a technical college under ch. 38, or any private, nonprofit,
8 educational institution located in this state that provides an educational program for
9 which it awards an associate degree or higher.

10 **(2) APPLICABILITY.** This section applies to any student loan offered by an
11 institution of higher education or a private lender or recommended to a student by
12 an institution of higher education, other than a federally funded, federally insured,
13 or federally guaranteed loan for which counseling is required by 20 USC 1092.

14 **(3) ENTRANCE COUNSELING. (a)** Before a student enters into a student loan
15 agreement, an institution of higher education shall provide the student with
16 comprehensive information on the terms and conditions of a loan and the
17 responsibilities the student has with respect to the loan. The institution shall
18 provide the information during a counseling session conducted in person, on a
19 written form provided to the student that the student signs and returns, or online,
20 with the student acknowledging receipt of the information. The information
21 provided shall include all of the following:

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

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

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

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

7 5. Sample monthly repayment amounts, based on a range of levels of
8 indebtedness.

9 6. The obligation of the borrower to repay the full amount of the loan,
10 irrespective of whether the borrower completes his or her program of study at the
11 institution.

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

14 8. Whether the student has reached the limit on his or her federal student loan
15 opportunities.

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

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

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

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

4 a. Whether the rate is fixed or variable.

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

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

11 d. An explanation that students should contact the lender of the private
12 student loan or their institution’s financial aid office if they have any questions about
13 a private student loan.

14 e. An explanation that the interest rate on a private loan may depend on the
15 borrower’s credit rating.

16 2. If the institution of higher education provides a private loan lender list,
17 provide general information about the loans available through the lender and
18 disclose the basis for each lender’s inclusion on the list. The institution shall also
19 disclose with the list that the student may choose any lender.

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