



State of Wisconsin  
2015 - 2016 LEGISLATURE

LRBs0396/1  
ARG:wlj&kjf

**SENATE SUBSTITUTE AMENDMENT 1,  
TO SENATE BILL 592**

March 2, 2016 - Offered by Senators HANSEN and BEWLEY.

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

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***Analysis by the Legislative Reference Bureau***

***The Wisconsin Student Loan Refinancing Authority***

This substitute amendment creates an authority, which is a public body corporate and politic, to be known as the Wisconsin Student Loan Refinancing Authority (WSLRA). The WSLRA is governed by a board that consists of four

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

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

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

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

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

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

9           13.48 (13) (a) Except as provided in par. (b) or (c), every building, structure or  
10 facility that is constructed for the benefit of or use of the state, any state agency,  
11 board, commission or department, the University of Wisconsin Hospitals and Clinics  
12 Authority, the Fox River Navigational System Authority, the Wisconsin Student  
13 Loan Refinancing Authority, the Wisconsin Economic Development Corporation, or

1 any local professional baseball park district created under subch. III of ch. 229 if the  
2 construction is undertaken by the department of administration on behalf of the  
3 district, shall be in compliance with all applicable state laws, rules, codes and  
4 regulations but the construction is not subject to the ordinances or regulations of the  
5 municipality in which the construction takes place except zoning, including without  
6 limitation because of enumeration ordinances or regulations relating to materials  
7 used, permits, supervision of construction or installation, payment of permit fees, or  
8 other restrictions.

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

10 13.62 (2) "Agency" means any board, commission, department, office, society,  
11 institution of higher education, council, or committee in the state government, or any  
12 authority created in subch. II of ch. 114 or in ch. 231, 232, 233, 234, 237, 238, 239,  
13 or 279, except that the term does not include a council or committee of the legislature.

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

15 13.94 (1) (dt) Biennially, beginning in 2017, conduct a financial audit of the  
16 Wisconsin Student Loan Refinancing Authority and a program evaluation audit of  
17 the programs administered by the Wisconsin Student Loan Refinancing Authority  
18 under ch. 239. The legislative audit bureau shall file a copy of each audit report  
19 under this paragraph with the distributees specified in par. (b).

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

21 13.94 (1s) (c) 9. The Wisconsin Student Loan Refinancing Authority for the cost  
22 of the audit required to be performed under sub. (1) (dt).

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

24 13.94 (4) (a) 1. Every state department, board, examining board, affiliated  
25 credentialing board, commission, independent agency, council or office in the

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

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

17 **13.95 Legislative fiscal bureau.** (intro.) There is created a bureau to be  
18 known as the "Legislative Fiscal Bureau" headed by a director. The fiscal bureau  
19 shall be strictly nonpartisan and shall at all times observe the confidential nature  
20 of the research requests received by it; however, with the prior approval of the  
21 requester in each instance, the bureau may duplicate the results of its research for  
22 distribution. Subject to s. 230.35 (4) (a) and (f), the director or the director's  
23 designated employees shall at all times, with or without notice, have access to all  
24 state agencies, the University of Wisconsin Hospitals and Clinics Authority, the  
25 Wisconsin Aerospace Authority, the Lower Fox River Remediation Authority, the

1 Wisconsin Student Loan Refinancing Authority, the Wisconsin Economic  
2 Development Corporation, and the Fox River Navigational System Authority, and to  
3 any books, records, or other documents maintained by such agencies or authorities  
4 and relating to their expenditures, revenues, operations, and structure.

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

6 16.002 (2) “Departments” means constitutional offices, departments, and  
7 independent agencies and includes all societies, associations, and other agencies of  
8 state government for which appropriations are made by law, but not including  
9 authorities created in subch. II of ch. 114 or in ch. 231, 232, 233, 234, 237, 238, 239,  
10 or 279.

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

12 16.004 (4) FREEDOM OF ACCESS. The secretary and such employees of the  
13 department as the secretary designates may enter into the offices of state agencies  
14 and authorities created under subch. II of ch. 114 and under chs. 231, 233, 234, 237,  
15 238, 239, and 279, and may examine their books and accounts and any other matter  
16 that in the secretary’s judgment should be examined and may interrogate the  
17 agency’s employees publicly or privately relative thereto.

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

19 16.004 (5) AGENCIES AND EMPLOYEES TO COOPERATE. All state agencies and  
20 authorities created under subch. II of ch. 114 and under chs. 231, 233, 234, 237, 238,  
21 239, and 279, and their officers and employees, shall cooperate with the secretary  
22 and shall comply with every request of the secretary relating to his or her functions.

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

24 16.004 (12) (a) In this subsection, “state agency” means an association,  
25 authority, board, department, commission, independent agency, institution, office,

1 society, or other body in state government created or authorized to be created by the  
2 constitution or any law, including the legislature, the office of the governor, and the  
3 courts, but excluding the University of Wisconsin Hospitals and Clinics Authority,  
4 the Wisconsin Aerospace Authority, the Lower Fox River Remediation Authority, the  
5 Wisconsin Economic Development Corporation, the Wisconsin Student Loan  
6 Refinancing Authority, and the Fox River Navigational System Authority.

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

8 16.045 (1) (a) “Agency” means an office, department, independent agency,  
9 institution of higher education, association, society, or other body in state  
10 government created or authorized to be created by the constitution or any law, that  
11 is entitled to expend moneys appropriated by law, including the legislature and the  
12 courts, but not including an authority created in subch. II of ch. 114 or in ch. 231, 232,  
13 233, 234, 237, 238, 239, or 279.

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

15 16.15 (1) (ab) “Authority” has the meaning given under s. 16.70 (2), but  
16 excludes the University of Wisconsin Hospitals and Clinics Authority, the Lower Fox  
17 River Remediation Authority, the Wisconsin Student Loan Refinancing Authority,  
18 and the Wisconsin Economic Development Corporation.

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

20 16.41 (4) In this section, “authority” means a body created under subch. II of  
21 ch. 114 or under ch. 231, 233, 234, 237, 238, 239, or 279.

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

23 16.417 (1) (b) “Authority” means a body created under subch. II of ch. 114 or  
24 ch. 231, 232, 233, 234, 237, 238, 239, or 279.

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

1           16.52 (7) PETTY CASH ACCOUNT. With the approval of the secretary, each agency  
2 that is authorized to maintain a contingent fund under s. 20.920 may establish a  
3 petty cash account from its contingent fund. The procedure for operation and  
4 maintenance of petty cash accounts and the character of expenditures therefrom  
5 shall be prescribed by the secretary. In this subsection, “agency” means an office,  
6 department, independent agency, institution of higher education, association,  
7 society, or other body in state government created or authorized to be created by the  
8 constitution or any law, that is entitled to expend moneys appropriated by law,  
9 including the legislature and the courts, but not including an authority created in  
10 subch. II of ch. 114 or in ch. 231, 233, 234, 237, 238, 239, or 279.

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

12           16.528 (1) (a) “Agency” means an office, department, independent agency,  
13 institution of higher education, association, society, or other body in state  
14 government created or authorized to be created by the constitution or any law, that  
15 is entitled to expend moneys appropriated by law, including the legislature and the  
16 courts, but not including an authority created in subch. II of ch. 114 or in ch. 231, 233,  
17 234, 237, 238, 239, or 279.

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

19           16.53 (2) IMPROPER INVOICES. If an agency receives an improperly completed  
20 invoice, the agency shall notify the sender of the invoice within 10 working days after  
21 it receives the invoice of the reason it is improperly completed. In this subsection,  
22 “agency” means an office, department, independent agency, institution of higher  
23 education, association, society, or other body in state government created or  
24 authorized to be created by the constitution or any law, that is entitled to expend  
25 moneys appropriated by law, including the legislature and the courts, but not

1 including an authority created in subch. II of ch. 114 or in ch. 231, 233, 234, 237, 238,  
2 239, or 279.

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

4 16.54 (9) (a) 1. “Agency” means an office, department, independent agency,  
5 institution of higher education, association, society or other body in state  
6 government created or authorized to be created by the constitution or any law, which  
7 is entitled to expend moneys appropriated by law, including the legislature and the  
8 courts, but not including an authority created in subch. II of ch. 114 or in ch. 231, 233,  
9 234, 237, 238, 239, or 279.

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

11 16.765 (1) Contracting agencies, the University of Wisconsin Hospitals and  
12 Clinics Authority, the Fox River Navigational System Authority, the Wisconsin  
13 Aerospace Authority, the Lower Fox River Remediation Authority, the Wisconsin  
14 Student Loan Refinancing Authority, the Wisconsin Economic Development  
15 Corporation, and the Bradley Center Sports and Entertainment Corporation shall  
16 include in all contracts executed by them a provision obligating the contractor not  
17 to discriminate against any employee or applicant for employment because of age,  
18 race, religion, color, handicap, sex, physical condition, developmental disability as  
19 defined in s. 51.01 (5), sexual orientation as defined in s. 111.32 (13m), or national  
20 origin and, except with respect to sexual orientation, obligating the contractor to take  
21 affirmative action to ensure equal employment opportunities.

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

23 16.765 (2) 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 the following provision in every contract executed by them: “In connection  
4 with the performance of work under this contract, the contractor agrees not to  
5 discriminate against any employee or applicant for employment because of age, race,  
6 religion, color, handicap, sex, physical condition, developmental disability as defined  
7 in s. 51.01 (5), sexual orientation or national origin. This provision shall include, but  
8 not be limited to, the following: employment, upgrading, demotion or transfer;  
9 recruitment or recruitment advertising; layoff or termination; rates of pay or other  
10 forms of compensation; and selection for training, including apprenticeship. Except  
11 with respect to sexual orientation, the contractor further agrees to take affirmative  
12 action to ensure equal employment opportunities. The contractor agrees to post in  
13 conspicuous places, available for employees and applicants for employment, notices  
14 to be provided by the contracting officer setting forth the provisions of the  
15 nondiscrimination clause”.

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

17 16.765 (5) The head of each contracting agency and the boards of directors of  
18 the University of Wisconsin Hospitals and Clinics Authority, the Fox River  
19 Navigational System Authority, the Wisconsin Aerospace Authority, the Lower Fox  
20 River Remediation Authority, the Wisconsin Student Loan Refinancing Authority,  
21 the Wisconsin Economic Development Corporation, and the Bradley Center Sports  
22 and Entertainment Corporation shall be primarily responsible for obtaining  
23 compliance by any contractor with the nondiscrimination and affirmative action  
24 provisions prescribed by this section, according to procedures recommended by the  
25 department. The department shall make recommendations to the contracting

1 agencies and the boards of directors of the University of Wisconsin Hospitals and  
2 Clinics Authority, the Fox River Navigational System Authority, the Wisconsin  
3 Aerospace Authority, the Lower Fox River Remediation Authority, the Wisconsin  
4 Student Loan Refinancing Authority, the Wisconsin Economic Development  
5 Corporation, and the Bradley Center Sports and Entertainment Corporation for  
6 improving and making more effective the nondiscrimination and affirmative action  
7 provisions of contracts. The department shall promulgate such rules as may be  
8 necessary for the performance of its functions under this section.

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

10 16.765 (6) The department may receive complaints of alleged violations of the  
11 nondiscrimination provisions of such contracts. The department shall investigate  
12 and determine whether a violation of this section has occurred. The department may  
13 delegate this authority to the contracting agency, the University of Wisconsin  
14 Hospitals and Clinics Authority, the Fox River Navigational System Authority, the  
15 Wisconsin Aerospace Authority, the Lower Fox River Remediation Authority, the  
16 Wisconsin Student Loan Refinancing Authority, the Wisconsin Economic  
17 Development Corporation, or the Bradley Center Sports and Entertainment  
18 Corporation for processing in accordance with the department's procedures.

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

20 16.765 (7) (intro.) When a violation of this section has been determined by the  
21 department, the contracting agency, the University of Wisconsin Hospitals and  
22 Clinics Authority, the Fox River Navigational System Authority, the Wisconsin  
23 Aerospace Authority, the Lower Fox River Remediation Authority, the Wisconsin  
24 Student Loan Refinancing Authority, the Wisconsin Economic Development  
25 Corporation, or the Bradley Center Sports and Entertainment Corporation, the

1 contracting agency, the University of Wisconsin Hospitals and Clinics Authority, the  
2 Fox River Navigational System Authority, the Wisconsin Aerospace Authority, the  
3 Lower Fox River Remediation Authority, the Wisconsin Student Loan Refinancing  
4 Authority, the Wisconsin Economic Development Corporation, or the Bradley Center  
5 Sports and Entertainment Corporation shall:

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

7 16.765 (7) (d) Direct the violating party to take immediate steps to prevent  
8 further violations of this section and to report its corrective action to the contracting  
9 agency, the University of Wisconsin Hospitals and Clinics Authority, the Fox River  
10 Navigational System Authority, the Wisconsin Aerospace Authority, the Lower Fox  
11 River Remediation Authority, the Wisconsin Student Loan Refinancing Authority,  
12 the Wisconsin Economic Development Corporation, or the Bradley Center Sports  
13 and Entertainment Corporation.

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

15 16.765 (8) If further violations of this section are committed during the term  
16 of the contract, the contracting agency, the Fox River Navigational System Authority,  
17 the Wisconsin Aerospace Authority, the Lower Fox River Remediation Authority, the  
18 Wisconsin Student Loan Refinancing Authority, the Wisconsin Economic  
19 Development Corporation, or the Bradley Center Sports and Entertainment  
20 Corporation may permit the violating party to complete the contract, after complying  
21 with this section, but thereafter the contracting agency, the Fox River Navigational  
22 System Authority, the Wisconsin Aerospace Authority, the Lower Fox River  
23 Remediation Authority, the Wisconsin Student Loan Refinancing Authority, the  
24 Wisconsin Economic Development Corporation, or the Bradley Center Sports and  
25 Entertainment Corporation shall request the department to place the name of the

1 party on the ineligible list for state contracts, or the contracting agency, the Fox River  
2 Navigational System Authority, the Wisconsin Aerospace Authority, the Lower Fox  
3 River Remediation Authority, the Wisconsin Student Loan Refinancing Authority,  
4 the Wisconsin Economic Development Corporation, or the Bradley Center Sports  
5 and Entertainment Corporation may terminate the contract without liability for the  
6 uncompleted portion or any materials or services purchased or paid for by the  
7 contracting party for use in completing the contract.

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

9 16.85 (2) To furnish engineering, architectural, project management, and other  
10 building construction services whenever requisitions therefor are presented to the  
11 department by any agency. The department may deposit moneys received from the  
12 provision of these services in the account under s. 20.505 (1) (kc) or in the general  
13 fund as general purpose revenue — earned. In this subsection, “agency” means an  
14 office, department, independent agency, institution of higher education, association,  
15 society, or other body in state government created or authorized to be created by the  
16 constitution or any law, which is entitled to expend moneys appropriated by law,  
17 including the legislature and the courts, but not including an authority created in  
18 subch. II of ch. 114 or in ch. 231, 233, 234, 237, 238, 239, or 279.

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

20 16.865 (8) Annually in each fiscal year, allocate as a charge to each agency a  
21 proportionate share of the estimated costs attributable to programs administered by  
22 the agency to be paid from the appropriation under s. 20.505 (2) (k). The department  
23 may charge premiums to agencies to finance costs under this subsection and pay the  
24 costs from the appropriation on an actual basis. The department shall deposit all  
25 collections under this subsection in the appropriation account under s. 20.505 (2) (k).

1 Costs assessed under this subsection may include judgments, investigative and  
 2 adjustment fees, data processing and staff support costs, program administration  
 3 costs, litigation costs, and the cost of insurance contracts under sub. (5). In this  
 4 subsection, “agency” means an office, department, independent agency, institution  
 5 of higher education, association, society, or other body in state government created  
 6 or authorized to be created by the constitution or any law, that is entitled to expend  
 7 moneys appropriated by law, including the legislature and the courts, but not  
 8 including an authority created in subch. II of ch. 114 or in ch. 231, 232, 233, 234, 237,  
 9 238, 239, or 279.

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

11 19.42 (10) (t) The chief executive officer and members of the board of directors  
 12 of the Wisconsin Student Loan Refinancing Authority.

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

14 19.42 (13) (p) The chief executive officer and members of the board of directors  
 15 of the Wisconsin Student Loan Refinancing Authority.

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

	<b>2015-16</b>	<b>2016-17</b>
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19 **20.195 Wisconsin Student Loan Refinancing**  
 20 **Authority**

21 (1) STUDENT LOAN REFINANCING PROGRAM

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

1           **20.195 Wisconsin Student Loan Refinancing Authority.** There is  
2 appropriated to the Wisconsin Student Loan Refinancing Authority for the following  
3 programs:

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

8           **SECTION 33.** 40.02 (54) (n) of the statutes is created to read:

9           40.02 **(54)** (n) The Wisconsin Student Loan Refinancing Authority.

10          **SECTION 34.** 70.11 (38v) of the statutes is created to read:

11          70.11 **(38v)** WISCONSIN STUDENT LOAN REFINANCING AUTHORITY. All property  
12 owned by the Wisconsin Student Loan Refinancing Authority, provided that use of  
13 the property is primarily related to the purposes of the Wisconsin Student loan  
14 Refinancing Authority.

15          **SECTION 35.** 77.54 (9a) (a) of the statutes is amended to read:

16          77.54 **(9a)** (a) This state or any agency thereof, the University of Wisconsin  
17 Hospitals and Clinics Authority, the Wisconsin Aerospace Authority, the Wisconsin  
18 Economic Development Corporation, the Wisconsin Student Loan Refinancing  
19 Authority, and the Fox River Navigational System Authority.

20          **SECTION 36.** 100.45 (1) (dm) of the statutes is amended to read:

21          100.45 **(1)** (dm) “State agency” means any office, department, agency,  
22 institution of higher education, association, society, or other body in state  
23 government created or authorized to be created by the constitution or any law which  
24 is entitled to expend moneys appropriated by law, including the legislature and the  
25 courts, the Wisconsin Housing and Economic Development Authority, the Bradley

1 Center Sports and Entertainment Corporation, the University of Wisconsin  
2 Hospitals and Clinics Authority, the Wisconsin Health and Educational Facilities  
3 Authority, the Wisconsin Aerospace Authority, the Wisconsin Economic  
4 Development Corporation, the Wisconsin Student Loan Refinancing Authority, and  
5 the Fox River Navigational System Authority.

6 **SECTION 37.** 230.03 (3) of the statutes, as affected by 2013 Wisconsin Act 20,  
7 is amended to read:

8 230.03 (3) “Agency” means any board, commission, committee, council, or  
9 department in state government or a unit thereof created by the constitution or  
10 statutes if such board, commission, committee, council, department, unit, or the  
11 head thereof, is authorized to appoint subordinate staff by the constitution or  
12 statute, except the Board of Regents of the University of Wisconsin System, a  
13 legislative or judicial board, commission, committee, council, department, or unit  
14 thereof or an authority created under subch. II of ch. 114 or under ch. 231, 232, 233,  
15 234, 237, 238, 239, or 279. “Agency” does not mean any local unit of government or  
16 body within one or more local units of government that is created by law or by action  
17 of one or more local units of government.

18 **SECTION 38.** Chapter 239 of the statutes is created to read:

19 **CHAPTER 239**

20 **WISCONSIN STUDENT LOAN**

21 **REFINANCING AUTHORITY**

22 **239.01 Definitions.** In this chapter:

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

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

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

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

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

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

7           3. One undergraduate student enrolled at least half-time and in good academic  
8 standing at an institution within the University of Wisconsin System who is at least  
9 18 years old and a resident of this state.

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

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

15          6. Two members who have at least 10 years experience in making qualified  
16 education loans or loan refinancing, but any person having a financial interest in or  
17 whose employer is primarily engaged in the business of making qualified education  
18 loans is not eligible for appointment under this subdivision, and any member  
19 appointed under this subdivision who acquires such an interest while serving as a  
20 member shall resign from the board.

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

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



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

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

9           **(3)** The members of the board shall annually elect a chairperson and may elect  
10 other officers as they consider appropriate. A majority of the members of the board  
11 constitutes a quorum for the purpose of conducting its business and exercising its  
12 powers and for all other purposes, notwithstanding the existence of any vacancies.  
13 Action may be taken by the board upon a vote of a majority of the voting members  
14 present.

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

18           **(5)** No cause of action of any nature may arise against and no civil liability may  
19 be imposed upon a member of the board for any act or omission in the performance  
20 of his or her powers and duties under this chapter, unless the person asserting  
21 liability proves that the act or omission constitutes willful misconduct.

22           **(6)** The board shall appoint a chief executive officer who shall not be a member  
23 of the board and who shall serve at the pleasure of the board. The chief executive  
24 officer shall receive such compensation as the board fixes. The chief executive officer  
25 or other person designated by resolution of the board shall keep a record of the

1 proceedings of the authority and shall be custodian of all books, documents, and  
2 papers filed with the authority, the minute book or journal of the authority, and its  
3 official seal. The chief executive officer or other person may cause copies to be made  
4 of all minutes and other records and documents of the authority and may give  
5 certificates under the official seal of the authority to the effect that such copies are  
6 true copies, and all persons dealing with the authority may rely upon such  
7 certificates.

8 **239.03 Powers of board.** The board shall have all the powers necessary or  
9 convenient to carry out the purposes and provisions of this chapter. In addition to  
10 all other powers granted the board under this chapter, the board may specifically:

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

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

14 (3) Maintain an office.

15 (4) Sue and be sued.

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

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

20 (7) Execute contracts and other instruments required for the operation of the  
21 authority.

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

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

25 (10) Make loans and provide grants.

1           **(11)** Incur debt.

2           **(12)** Procure liability insurance.

3           **239.04 Duties of board.** The board shall develop and implement a program  
4 under which state residents may refinance qualified education loans. The board  
5 shall develop the program to include all of the following:

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

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

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

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

17          **239.05 Issuance of bonds.** **(1)** The authority may issue bonds for any  
18 corporate purpose. All bonds are negotiable for all purposes, notwithstanding their  
19 payment from a limited source.

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

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

1           (4) The authority may not issue bonds unless the issuance is first authorized  
2 by a bond resolution. Bonds shall bear the dates, mature at the times not exceeding  
3 50 years from their dates of issue, bear interest at the rates, be payable at the times,  
4 be in the denominations, be in the form, carry the registration and conversion  
5 privileges, be executed in the manner, be payable in lawful money of the United  
6 States at the places, and be subject to the terms of redemption, that the bond  
7 resolution provides. The bonds shall be executed by the manual or facsimile  
8 signatures of the officers of the authority designated by the board. The bonds may  
9 be sold at public or private sale at the price, in the manner, and at the time  
10 determined by the board. Pending preparation of definitive bonds, the authority may  
11 issue interim receipts or certificates that shall be exchanged for the definitive bonds.

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

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

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

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

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

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

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

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

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

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

12 **239.06 Bond security.** The authority may secure bonds by a trust agreement,  
13 trust indenture, indenture of mortgage, or deed of trust by and between the authority  
14 and one or more corporate trustees. A bond resolution providing for the issuance of  
15 bonds so secured shall mortgage, pledge, assign, or grant security interests in some  
16 or all of the revenues to be received by, and property of, the authority and may contain  
17 those provisions for protecting and enforcing the rights and remedies of the  
18 bondholders that are reasonable and proper and not in violation of law. A bond  
19 resolution may contain other provisions determined by the board to be reasonable  
20 and proper for the security of the bondholders.

21 **239.07 Bonds not public debt. (1)** The state is not liable on bonds, and the  
22 bonds are not a debt of the state. All bonds shall contain a statement to this effect  
23 on the face of the bond. A bond issue does not, directly, indirectly, or contingently,  
24 obligate the state or a political subdivision of the state to levy any tax or make any

1 appropriation for payment of the bonds. Nothing in this section prevents the  
2 authority from pledging its full faith and credit to the payment of bonds.

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

13 **239.08 State pledge.** The state pledges to and agrees with the bondholders,  
14 and persons that enter into contracts with the authority under this chapter, that the  
15 state will not limit or alter the rights vested in the authority by this chapter before  
16 the authority has fully met and discharged the bonds, and any interest due on the  
17 bonds, and has fully performed its contracts, unless adequate provision is made by  
18 law for the protection of the bondholders or those entering into contracts with the  
19 authority.

20 **239.09 Liability limited.** Neither the state nor any political subdivision of  
21 the state, nor any officer, employee, or agent of the state or a political subdivision of  
22 the state who is acting within the scope of employment or agency, is liable for any  
23 debt, obligation, act, or omission of the authority.

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

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

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

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

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

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

16           **SECTION 39. Nonstatutory provisions.**

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

24           **(END)**