

FINANCIAL INSTITUTIONS

Budget Summary							
Fund	2020-21 Base Year Doubled	2021-23 Governor	2021-23 Jt. Finance	2021-23 Legislature	2021-23 Act 58	Act 58 Change Over Base Year Doubled	
						Amount	Percent
GPR	\$0	\$2,000,000	\$0	\$0	\$0	\$0	0.0%
PR	39,019,400	40,908,900	37,112,600	37,112,600	37,112,600	- 1,906,800	- 4.9
SEG	<u>1,626,800</u>	<u>1,974,200</u>	<u>1,974,200</u>	<u>1,974,200</u>	<u>1,974,200</u>	<u>347,400</u>	21.4
TOTAL	\$40,646,200	\$44,883,100	\$39,086,800	\$39,086,800	\$39,086,800	- \$1,559,400	- 3.8%

FTE Position Summary						
Fund	2020-21 Base	2022-23 Governor	2022-23 Jt. Finance	2022-23 Legislature	2022-23 Act 58	Act 58 Change Over 2020-21 Base
PR	138.54	142.04	138.54	138.54	138.54	0.00
SEG	<u>3.00</u>	<u>3.00</u>	<u>3.00</u>	<u>3.00</u>	<u>3.00</u>	<u>0.00</u>
TOTAL	141.54	145.04	141.54	141.54	141.54	0.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 101]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
PR	- \$1,238,600	- \$221,000	- \$1,459,600
SEG	<u>347,400</u>	<u>0</u>	<u>347,400</u>
Total	- \$891,200	- \$221,000	- \$1,112,200

Governor: Provide adjustments to the base totaling -\$445,600 annually associated with: (a) turnover reduction (-\$290,900 PR annually); (b) full funding of continuing position salaries and fringe benefits (-\$307,200 PR annually and \$145,100 SEG annually); and (c) full funding of lease and directed move costs (-\$21,200 PR annually and \$28,600 SEG annually).

Joint Finance/Legislature: Increase the rate used to calculate turnover reduction from 3% to 4% for all appropriations subject to a 3% turnover rate under the Governor's recommended budget. Reduce funding under the turnover reduction standard budget adjustment by -\$110,500

PR annually.

2. SMALL BUSINESS RETIREMENT SAVINGS PROGRAM

	<u>Governor</u> <u>(Chg. to Base)</u>		<u>Jt. Finance/Leg.</u> <u>(Chg. to Gov)</u>		<u>Net Change</u>	
	Funding Positions		Funding	Positions	Funding Positions	
GPR	\$2,000,000	0.00	-\$2,000,000	0.00	\$0	0.00
PR	<u>144,200</u>	<u>1.00</u>	<u>- 144,200</u>	<u>- 1.00</u>	<u>0</u>	<u>0.00</u>
Total	\$2,144,200	1.00	-\$2,144,200	- 1.00	\$0	0.00

Governor: Provide \$2,000,000 GPR and \$63,200 PR in 2021-22 and \$81,000 PR in 2022-23 and 1.0 PR position annually to establish and administer the Small Business Retirement Savings Program for certain privately-employed individuals who are not offered an employer-sponsored retirement plan. Funding would be used for: (a) start-up costs modeled on similar programs in other states (\$2,000,000 GPR in 2021-22); (b) position salaries and fringe benefits (\$53,200 PR in 2021-22 and \$71,000 PR in 2022-23); and (c) supplies and services (\$10,000 PR annually). The position would be used to staff the Small Business Retirement Savings Board. This recommendation is related to the final report of the Governor's Task Force on Retirement Security.

a. Small Business Retirement Savings Program - General. Establish a Small Business Retirement Savings Program, a GPR general program operations appropriation, and a PR program operations appropriation for all moneys received for the program. In addition, add the Small Business Retirement Savings Program to the list of moneys received by the Department exempt from the general program operations appropriation annual lapse to the general fund.

b. Small Business Retirement Savings Board. Create a Small Business Retirement Savings Board to establish and oversee the Small Business Retirement Savings Program. Specify that the Board consist of nine members: (a) the State Treasurer (or his or her designee); (b) the Secretary of Financial Institutions (or his or her designee); (c) one member who has favorable reputation for skill, knowledge, and experience in the field of retirement savings and investments, appointed by the Governor; (d) one member who has a favorable reputation for skill, knowledge, and experience relating to small business, appointed by the Governor; (e) one member who is a representative of an association representing employees or who has a favorable reputation for skill, knowledge, and experience in the interests of employees in retirement saving, appointed by the Speaker of the Assembly; (f) one member who has a favorable reputation for skill, knowledge, and experience in the interests of employers in retirement saving, appointed by the President of the Senate; (g) one member who has a favorable reputation for skill, knowledge, and experience in retirement investment products or plan designs, appointed by the State Treasurer; (h) one member appointed by the State of Wisconsin Investment Board (SWIB); and (i) one member appointed by a majority vote of the other eight members. All members listed (c) through (i) are appointed for four-year terms, however, the initial terms of the two Governor-appointed members, the President of the Senate-appointed member, and the SWIB-appointed member expire on May 1, 2023.

Modify statutory language to include the Small Business Retirement Savings Board in the

list of entities exempt from statutory contractual services determinations, and to expand purchasing powers to allow the Board to enter into vendor contracts. Specify that the Board may: (a) create or impose any requirement or condition not inconsistent with the requirements of the program that the Board considers necessary for the effective functioning and widespread utilization of the program; (b) enter into contracts or other arrangements for necessary services; (c) promulgate rules; and (d) exercise any other powers necessary to establish, oversee, or otherwise carry out the purposes of the program. Require DFI to provide assistance to the Board, including staff, equipment, and office space.

Specify that the Board must solicit competitive sealed proposals, then select and contract with a vendor to provide investment, accounting and record keeping, and any other professional services considered necessary by the Board to administering the program. The Board must design the program to: (a) allow eligible employees to contribute to their accounts through payroll deductions and require participating employers to withhold employee wages, through payroll deductions, employees' account contributions, and remit those contributions directly to the investment administrator; (b) allow the investment administrator to pool accounts as the trustee of account contributions and earnings; (c) limit the investment advisor fee to a fixed monthly amount approved by the Board and keep the administrative costs of the program low; (d) not require a minimum account balance, if the employee makes contributions each pay period; (e) allow account consolidation and rollover; and (f) allow an account owner to continue the account after separating from employment with a participating employer, if the account owner has a positive balance.

c. Employer Participation and Responsibilities. Specify that a private employer may participate in the program if: (a) the employer does not offer a retirement savings plan to all employees; (b) the employer provides notice to the Board and certifies that the employer has 50 or fewer employees; and (c) the employer has at least one Wisconsin resident employee. After electing to participate, the employer must provide notice to each eligible employee of the right to decline participation in the program, and must enroll eligible employees in the program, unless an employee declined to participate.

d. Employee Enrollment and Contribution Options. Specify that the program must allow enrolled eligible employees the option to make contributions to a Roth IRA account, or any other investment account type, if other account types are offered. Within each account type, the program must provide at least five investment options, including: (a) a stable value or capital preservation fund; (b) an automatically rebalanced target date index or age-based fund; and (c) low-costs funds focused on income generation, asset growth, and balancing risk and return. The investment administrator must offer each enrolled eligible employee a tool to identify risk tolerance and projected retirement date, as an aid to the employee, prior to selecting investment account(s). The program requires the first \$1,000 of an enrolled eligible employee's contributions to be deposited in a stable value or capital preservation fund, and thereafter, contributions must be deposited into a target date index or age-based fund, unless the employee selects a different investment option. In addition, during the employee's first year of enrollment, the employer must deduct five percent of the employee's gross wages each pay period, increasing by one percent per year until a maximum rate of 10 percent is reached, unless the employee directs otherwise (no rate may be less than one percent). The payroll deduction is remitted to the investment administrator as the employee's account contribution.

e Recordkeeping. Specify that the Board must establish recordkeeping requirements (including the nature and extent of the services and performance metrics for measuring compliance) for the investment administrator, and require the maintenance of separate records and accounting for each account.

f. Abandoned Accounts. Specify that an account is considered abandoned if: (a) there has been no account activity for at least six months and the account balance is less than \$250; or (b) there has been no account activity for at least two years. The investment administrator must close abandoned accounts and disburse the account balance to the individual who established the account.

g. Definitions. For the purpose of the Small Business Retirement Savings Program, create statutory language to define "account," "Board," "eligible employee," "investment administrator," "participating employer," and "Roth IRA."

Joint Finance/Legislature: Provision not included.

3. ACHIEVING A BETTER LIFE EXPERIENCE (ABLE) SAVINGS ACCOUNT PROGRAM

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
PR	\$400,000	- \$400,000	\$0

Governor: Provide \$200,000 annually to implement and administer a qualified Achieving a Better Life Experience (ABLE) savings account program under section 529A of the Internal Revenue Code for qualified expenses incurred by individuals with disabilities. Currently, the Department administers two section 529 college savings plans for Wisconsin residents: Edvest and Tomorrow's Scholar.

Under current federal law, states may create a qualified ABLE program, which provides tax-exempt savings accounts, used for qualified disability expenses (including education, housing, and transportation costs). In addition, state law allows a deduction for an eligible contribution deposited into an ABLE account of any state. Wisconsin currently does not operate its own ABLE program, but allows state residents to make contributions to the ABLE programs of other states.

Require the Department to implement and administer an ABLE program, either directly or by entering into a formal or informal agreement with another state, or with an entity representing an alliance of states, for the residents of Wisconsin. The Department would be required to review ABLE state partnership programs offered by other states and determine the best option for Wisconsin residents (either implementing a program directly, or entering into an agreement for a program) no later than the first day of the 10th month, beginning after the effective date of the bill.

Specify that if an agreement is entered into, a party contracting with the Department may be required to: (a) develop and implement the ABLE program in accordance with section 529A of

the Internal Revenue Code requirements and modify the program, as necessary, to allow participants to qualify for the federal income tax benefits or treatment provided under section 529A; (b) engage the services of vendors; (c) work with organizations with expertise in supporting individuals with disabilities and their families; and (d) take any other action necessary to implement and administer the program.

In addition, specify that the Department is required to: (a) include information on ABLE accounts on its Internet site; (b) keep personal and financial information related to ABLE accounts confidential; and (c) pay for all expenses incurred under this provision from the Department's general program operations appropriation. The Department may also promulgate rules to implement and administer the program. Stipulate that any amount remaining in a Wisconsin ABLE account upon the account's termination must be returned to the account owner's estate.

Joint Finance/Legislature: Provision not included.

4. OFFICE OF THE STUDENT LOAN OMBUDSMAN

	Governor (Chg. to Base) Funding Positions		Jt. Finance/Leg. (Chg. to Gov) Funding Positions		Net Change Funding Positions	
PR	\$345,500	2.00	-\$345,500	-2.00	\$0	0.00

Governor: Provide \$148,100 in 2021-22 and \$197,400 in 2022-23 and 2.0 positions annually to create and staff an Office of the Student Loan Ombudsman. The increased expenditure authority would be used for: (a) salary and fringe benefits (\$118,100 in 2021-22 and \$157,400 in 2022-23); and (b) supplies and services (\$30,000 in 2021-22 and \$40,000 in 2022-23). Increased position authority would be used for an administrative manager and an agency liaison. This recommendation is related to the final report of the Governor's Task Force on Student Debt.

a. Office of the Student Loan Ombudsman Creation and Duties, and Annual Reports. Create an Office of the Student Loan Ombudsman in the Department of Financial Institutions and establish a Student Loans subchapter V of Chapter 224. Specify that the office must: (a) provide timely assistance to student loan borrowers; (b) receive, review, and attempt to resolve complaints from student borrowers, student loan servicers, and other participants in student loan lending; (c) compile and analyze data on borrower complaints; (d) assist borrowers in understand their rights and responsibilities under the terms of student education loans; (e) provide information regarding the problems and concerns of borrowers and make recommendations for resolving them; (f) analyze and monitor federal, state, and local laws, ordinances, regulations, rules, and policies relating to borrowers and recommend necessary changes; (g) review the complete student education loan history for a borrower who provides written consent for review; (h) provide outreach and assist borrowers and potential borrowers, public institutions of higher education, student loan servicers, and any other participants in student loan lending with student education loan servicing concerns; (i) seek the assistance of an exempt organization to resolve borrower complaints; and (j) take any other action necessary to fulfill the duties of the office.

Specify that the exempt organization described under (i) must provide information, in a timely manner, requested by the office necessary to investigate and resolve complaints, including steps taken by the exempt organization to resolve the complaint, or documentation regarding complaint resolution. Annually, the exempt organization must report to the office the number of complaints received and the number of complaints resolved by the organization.

Specify that the office must submit a report by January 1 of each year to the standing committee of each house of the Legislature having jurisdiction over higher education matters. The report must include: (a) a description of actions taken in implementing the student loans regulations created under the bill; (b) an assessment of the overall effectiveness of the office (including complaint information); and (c) recommendations regarding additional steps for the Department to gain regulatory control over licensing and enforcement with respect to student loan servicers.

b. Office Investigations and Examinations. Specify that the office may conduct examinations and investigations: (a) for the purposes of initial licensing, renewal, suspension, or revocation or of investigation to determine compliance with student loan regulations created in the bill, the office may access, receive, and use certain materials belonging to a licensee or person under examination; and (b) for the purposes of investigating violations or complaints or of examination, the office may review, investigate, or examine any licensee or person subject to regulation as often as necessary (including the right to direct, subpoena, order the attendance of and examine under oath any person whose testimony may be required, or order the person to produce certain documents relevant to the inquiry). The office may control access and take possession of documents and records of the person under examination or investigation, during which period a person may not remove or attempt to remove any of the documents and records, except pursuant to court order or with consent of the office. However, specify that the licensee or owner of the documents and records may have access to them as necessary to conduct ordinary business affairs, unless the office has reasonable grounds to believe the documents have been, or are at risk of being altered or destroyed for purposes of concealing a violation. Specify that a person subject to investigation or examination may not knowingly withhold, abstract, remove, mutilate, or destroy information relating to regulated information, and must pay for the costs of the investigation (funds are credited to the general program operations appropriation).

Specify that the office may: (a) retain professionals and specialists as examiners, auditors, or investigators to conduct or assist in the conduct of examinations or investigations; (b) enter into agreements or relationships with other government officials or regulatory associates to improve efficiencies and reduce regulatory burden; (c) use, hire, contract for, or employ available analytical systems, methods, or software to examine or investigate relevant persons; (d) accept and rely on examination or investigation reports made by other government officials; and (e) accept audit reports made by an independent certified public accountant.

Specify that in the case of a violation, the office may: (a) issue an order requiring a student loan servicer to cease and desist from a violation, correct the conditions resulting from the violation, and take actions to prevent future violations (a student loan servicer that violates an order must forfeit not more than \$1,000 for each violation, for each day the violation continues); (b) require the servicer to reimburse persons injured by the violation; (c) commence administrative

proceedings or civil actions to restrain, by injunction, a person from violating provisions created in the bill, to recover any fees or penalties owed, or to seek available relief on behalf of borrowers; and (d) suspend, revoke, or refuse to renew the license. In addition, the office may promulgate rules to implement student loan regulation.

c. Licensing Student Loan Servicers. Create statutory language to prohibit a person from directly or indirectly engaging in servicing student education loans in Wisconsin without a license from the Department, unless the person is a state-regulated financial service provider or the Higher Educational Aids Board. To obtain an initial license, a student loan servicer must submit a written application to the office, accompanied by: (a) a financial statement prepared by a certified public accountant, public accountant, a general partner (if the applicant is a partnership), a corporate officer (if the applicant is a corporation), or a member authorized to execute such documents (if the applicant is a limited liability company or association); (b) any history of criminal convictions concerning the applicant, officers, directors, and principal employees of the applicant, and each individual shareholder, member, or partner who (directly or indirectly) controls 10% or more of the ownership interests of the applicant; (c) a \$1,000 license fee; and (d) a \$800 investigation fee. All fees received by the office are nonrefundable and credited to the general program operations appropriation.

Specify that the office must investigate the financial condition and responsibility, financial and business experience, character, and general fitness of each applicant (which may include criminal history background checks). The office may issue a license if: (a) the applicant's financial condition is sound; (b) the applicant's business will be conducted honestly, fairly, equitably, carefully, and efficiently and in a manner commanding the confidence and trust of the community; (c) no person on behalf of the applicant has knowingly made an incorrect statement of material fact in the application or any report or statement; and (d) the applicant has met any other requirements determined by the office.

Specify that student loan servicer licenses expire at the close of business on September 30 of the odd-numbered year following issuance, unless renewed, surrendered, suspended, or revoked. In addition, specify that a licensee must provide written notification of surrender to the office and surrender the license for each location in which the licensee has ceased to engage in the business of student education loan servicing in Wisconsin, no later than 15 days after the licensee ceases to engage in such business. The written notice must identify the location where the records of the licensee will be stored and the name, address, and telephone number of an individual authorized to provide access to the records. Specify that a license surrender does not reduce or eliminate the licensee's civil or criminal liability arising from acts or omissions occurring prior to the surrender, including any administrative actions undertaken by the office.

Specify that a license may be renewed for a 24-month period upon filing a renewal application containing all required documents and fees on or before September 1 of the year in which the license expires (if after September 1, a \$100 late fee is required). If the renewal application is filed on or before the date the license expires, the license continues in effect until the office issues the renewal license or until the licensee is notified in writing of the office's refusal to issue the renew license and grounds on which the refusal is based (the grounds for refusal are the same as the initial license grounds for refusal). An applicant or licensee must notify the office, in writing,

of any change to information provided in the initial or renewal applications, no later than 10 business days after the occurrence of the event that results in the change. [The bill does not specify a renewal fee amount.]

Specify that a licensee may not act as a student loan servicer in Wisconsin under any name or place of business other than that identified in the license. In addition, a licensee may not change the location of the licensee's place of business without prior written notice to the office. Only one place of business may be maintained under the same license, but the office may issue more than one license to a licensee. A license is not transferable or assignable.

d. License Abandonment, Suspension, Revocation, and Refusal. Specify that the office may suspend, revoke, or refuse to renew a license if: (a) the licensee violated a provision, rule, or lawful order of the office; (b) a fact or condition exists that would have clearly warranted a denial of the license, if it existed at the time of the original application; (c) the licensee made a material misstatement in the application or in information furnished to the office; or (d) the licensee failed to pay a required fee.

Specify that the office is required to suspend a license if the office finds the licensee fails to comply, after appropriate notice, with a subpoena or warrant issued by the Department of Workforce Development (DWD), a county child support agency related to paternity or child support proceedings, or who is delinquent in making court-ordered payments related to certain child or former spouse support. A licensee whose license is suspended is entitled to a notice and hearing as provided under administrative enforcement of support, denial, nonrenewal, restriction and suspension of licenses statutes.

In addition, require the office to revoke a license if the Department of Revenue certifies that the licensee is liable for delinquent taxes. A licensee whose license is revoked is entitled to a notice and hearing under license denial, renewal, discontinuation, suspension and revocation based on tax delinquency statutes. The office is further required to revoke a license if DWD certifies that the licensee is liable for delinquent unemployment insurance contributions. A licensee whose license is revoked is entitled to a notice and hearing as provided under license denial, nonrenewal, discontinuation, suspension and revocation based on delinquent unemployment insurance contribution statutes.

Specify that a person whose license has been suspended, revoked, or refused renewal may request a hearing within 30 days after the date of suspension, revocation, or refusal. The office may appoint a hearing examiner to conduct a hearing. The right to request a hearing does not apply to the above-mentioned situations. No licensing fee abatement may be made if the license is suspended, revoked, or surrendered in connection with a suspension or revocation proceeding.

Specify that an application may be considered abandoned if the applicant fails to respond to any request for information or rule promulgated, as long as the office notifies the applicant, in writing, that the application will be considered abandoned if the applicant fails to submit the information within 60 days after the date on which the request for information is made. Filing fees paid prior to the date an application is abandoned may not be refunded. Abandonment of an application does not preclude the applicant from submitting a new application.

e. Recordkeeping. Create statutory language to require a student loan servicer to maintain adequate records of each student education loan transaction. Unless otherwise required, a student loan servicer must maintain these records for not less than two years following the final payment on the loan, or the assignment of the loan, whichever occurs first. Specify that, upon request, a student loan servicer must make the records available or send the records to the office by registered or certified mail (return receipt requested), or by an express delivery carrier that provides a dated delivery receipt, no later than five business days after the request is made (the office may grant additional time).

f. Nonconforming Payments. For the purposes of student loan servicers, create statutory language to define "nonconforming payment" to mean a payment on a student education loan that is different from the required payment. Specify that upon receipt of a nonconforming student education loan payment, a student loan servicer must: (a) ask the borrower how the borrower prefers to apply the nonconforming payment; (b) note the borrower's preference; and (c) apply the nonconforming payment in the manner preferred by the borrower. Require that the servicer apply any future nonconforming payments in the same manner preferred by the borrower, until the borrower indicates otherwise.

Specify that a student loan servicer must respond to a written inquiry from a borrower or the representative of a borrower within 30 days after receiving the inquiry. A student loan servicer must comply with this requirement, unless otherwise provided.

g. Other General Student Loan Servicer Duties. Specify that if there is a sale, assignment, or other transfer of the servicing of a student education loan that results in a change in the identity of the person to whom a student loan borrower is required to send payments or direct any communication concerning the loan: (a) the servicer must require the new loan servicer to honor all benefits originally represented to the borrower during repayment of the loan and preserve the availability of those benefits (including those for which the borrower has not yet qualified) as a condition of the sale, assignment, or transfer of the loan; (b) within 45 days of the sale, assignment, or transfer, the servicer must transfer all information regarding the borrower, the borrower's account, and the borrower's loan to the new servicer; and (c) the sale, assignment, or transfer of the servicing of the loan must be complete at least seven days before the next loan payment is due.

Specify that a student loan servicer must adopt policies and procedures to verify that the servicer has received any information regarding the borrower, the account of the borrower, and the loan of the borrower. Servicers may not: (a) employ a scheme, device, or artifice to defraud or mislead any student loan borrower (directly or indirectly); (b) engage in unfair or deceptive practices or misrepresent or omit any material information in connection with the servicing of a loan, with information or reports filed with a governmental agency, or with an investigation conducted by the office or another governmental agency; (c) obtain property by fraud or misrepresentation; (d) misapply loan payments; (e) provide inaccurate information to a credit bureau; (f) fail to report payment history of a borrower to a nationally recognized consumer credit bureau at least annually, if the servicer regularly reports to a credit bureau; (g) refuse to communicate with an authorized representative of a borrower; (h) fail to evaluate a borrower for an income-based repayment program prior to forbearance or default, if a program is available; or

(i) violate any applicable federal law or regulation related to student education loan servicing.

Specify that a student loan borrower injured by violation may bring legal action against the student loan servicer for: (a) actual damages sustained as a result of the violation (including emotional distress or mental anguish, with or without accompanying physical injury proximity caused by the violation); (b) a monetary award equal to two times the amount of actual damages, if the borrower establishes it is more likely than not (preponderance of the evidence) that the violation was willful or intentional; (c) the costs of the action, together with reasonable attorney's fees, as determined by the court, in the case of a successful action; and (d) any other remedies that may be available.

h. Other definitions. Modify statutory language to include the Office of the Student Loan Ombudsman to entities included in the definition of "division."

For the purposes of this student loan regulation, create statutory language to define "board," "exempt organization," "licensee," "office," "servicing," "state-regulated financial service provider," "student education loan," "student loan borrower," and "student loan servicer."

i Implementation. Require the Department to determine whether it can fully implement the provisions created in the bill no later than October 1, 2021, and to notify the Legislative Reference Bureau (LRB) by that date. If the notice states the Department cannot fully implement the created provisions, the Department must provide notice to the LRB of the date on which the created provisions will be fully implemented (although the date may not be later than January 1, 2023). The Legislative Reference Bureau must publish a notice in the Wisconsin Administrative Register that specifies this date. The "division" definition provisions and the Office of the Student Loan Ombudsman provisions take effect on October 1, 2021, or on the date specified in the notice published in the Wisconsin Administrative Register, whichever is later.

Joint Finance/Legislature: Provision not included.

5. CHILDREN'S SAVINGS AND INVESTMENT PROGRAM

Governor: Require the Department to collaborate with one or more philanthropic organizations to develop a statewide children's savings and investment program, funded and administered by the philanthropic organization(s). Specify that the program must allow the balance of an account established under the program to be transferred to a college savings account established under the College Savings Program.

Joint Finance/Legislature: Provision not included.

6. PUBLIC SERVICE LOAN FORGIVENESS NOTIFICATION

Governor: Require the Department to collect and maintain information regarding loan forgiveness programs available to individuals employed by the state or a local unit of government. Specify that the information collected must be made available to the state, local units of government, and employees of the state and local units of government on the Internet or by other

means. In addition, require all Wisconsin public employers (including a local unit of government, school district, sewer district, drainage district, long-term care district, and other public or quasi-public corporations) to provide the collected public service loan forgiveness programs information to their employees (electronically or by other means). Specify that the requirements take effect on January 1, 2022.

Joint Finance/Legislature: Provision not included.

7. SECURITIES AND INVESTMENT FIRM FEE INCREASES

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
PR-REV	\$7,862,800	- \$7,862,800	\$0

Governor: Increase the initial license application and renewal fees for a broker-dealer or investment adviser from \$200 to \$300 and increase the initial license application and renewal fees for an agent representing a broker-dealer or issuer or an investment adviser representative from \$80 to \$100. The current law exception that no fee is required for an agent representing a broker-dealer or issuer or an investment adviser representative eligible for the veterans fee waiver program remains unchanged.

In addition, increase the federal covered adviser initial and renewal notice filing fees from \$200 to \$300 and increase the filing fee for a broker-dealer, investment adviser, or federal covered adviser maintaining a Wisconsin branch office from \$80 to \$100 for each branch office.

Specify that the fee changes first apply to filings received by the Division of Securities, and first take effect on the first day of the third month after publication of the bill. The Department indicates that these changes will increase revenue by \$3,369,800 in 2021-22 and by \$4,493,000 in 2022-23, which will be deposited in the Department's general program operations appropriation.

Under current law, with some exceptions, all moneys received by the Department, other than by the Office of Credit Unions and the Division of Banking, and 88 percent of all moneys received by the Office of Credit Unions and the Department's Division of Banking is credited to the Department's general program operations appropriation, and any balance at the close of a fiscal year under the appropriation transfers to the general fund. The \$7,862,800 attributable to the fee increase will transfer to the general fund.

Joint Finance/Legislature: Provision not included.

8. FINANCIAL INTEGRITY INFORMATION TECHNOLOGY MODERNIZATION [LFB Paper 300] PR \$1,350,800

Governor: Provide \$332,800 in 2021-22 and \$1,018,000 in 2022-23 to the Department's general program operations appropriation to consolidate multiple older financial applications into one centralized cashiering application, capable of integrating with the state's accounting system

(State Transforming Agency Resources (STAR)). The increased expenditure authority would be used to: (a) research vendor options and develop applications in 2021-22 (\$322,800); and (b) implement procured software to improve the accuracy and processing of receipts collected by the Department in 2022-23 (\$935,000 in one-time costs, and \$83,000 in on-going costs).

Joint Finance/Legislature: Modify the provision to provide on-going costs (\$83,000) as one-time rather than on-going.

9. NOTARY INFORMATION TECHNOLOGY MODERNIZATION [LFB Paper 300]

PR	\$812,000
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Governor: Provide \$806,000 in 2021-22 and \$6,000 in 2022-23 to the Department's general program operations appropriation to modernize notary information technology systems. Under 2019 Act 125, notarial acts were expanded to allow notarization using communication technology. The Act also created a remote notary council to adopt and implement standards related to remote notarization. The increased expenditure authority would be used to purchase upgraded information technology software to: (a) process and track notary applications and payments more effectively; (b) streamline the notary public database updates; and (c) consolidate software applications to increase efficiency.

Joint Finance/Legislature: Modify the provision to provide on-going costs (\$6,000) as one-time rather than on-going.

10. NOTARY APPLICATION FEE INCREASES [LFB Paper 301]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
PR-REV	\$520,800	-\$520,800	\$0

Governor: Increase the four-year notary public application fee for non-attorneys from \$20 to \$40 and increase the permanent notary public application fee for attorneys from \$50 to \$100. Specify that the fee changes first apply to applications filed and first take effect on the first day of the third month after publication of the bill. The Department indicates that these changes are intended to make Wisconsin's notary fees more consistent with notary fees in surrounding states, and are estimated to increase revenue by \$223,200 in 2021-22 and by \$297,600 in 2022-23.

Under current law, with some exceptions, all moneys received by the Department, other than by the Office of Credit Unions and the Division of Banking, and 88 percent of all moneys received by the Office of Credit Unions and the Department's Division of Banking is credited to the Department's general program operations appropriation, and any balance at the close of a fiscal year under the appropriation transfers to the general fund. The \$520,800 attributable to the fee increase will transfer to the general fund.

Joint Finance/Legislature: Provision not included.

11. AGENCY EQUITY OFFICER

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	\$75,600	0.50	-\$75,600	- 0.50	\$0	0.00

Governor: Provide \$31,000 in 2021-22 and \$44,600 in 2022-23 and 0.5 positions annually to create an agency equity officer position. The agency equity officer would be responsible for coordinating with other agency equity officers and identifying opportunities to advance equity in government operations. For additional information, see "Administration -- General Agency Provisions."

Joint Finance/Legislature: Provision not included.

12. INTERAGENCY AND INTRA-AGENCY PROGRAMS AND FEDERAL FUNDS APPROPRIATIONS

Governor: Create a continuing program revenue interagency and intra-agency programs appropriation to allow the Department to expend moneys received from other state agencies or from the Department for the purposes received. Further, create a continuing federal funds appropriation to expend federal moneys for the purposes received, except for federal funds credited to the credit union examinations, federal funds appropriation.

Joint Finance/Legislature: Provision not included.

13. ANNUAL TRANSFER TO THE SECRETARY OF STATE

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
PR-REV	-\$80,000	\$80,000	\$0

Governor: Increase the transfer from the Department's general program operations appropriation to the Secretary of State's program fees appropriation from \$150,000 to \$190,000.

Under current law, with some exceptions, all moneys received by the Department, other than by the Office of Credit Unions and the Division of Banking, and 88 percent of all moneys received by the Office of Credit Unions and the Department's Division of Banking is credited to the Department's general program operations appropriation, and any balance at the close of a fiscal year under the appropriation transfers to the general fund. Annually, \$150,000 of the amounts received under this appropriation is transferred to the Secretary of State. This provision would reduce the amount transferred to the general fund by \$40,000 annually.

Joint Finance/Legislature: Provision not included.

14. WORKER MISCLASSIFICATION INFORMATION

Governor: Require the Department to provide informational materials and resources on worker misclassification to each person who files articles of incorporation, articles of organization, statement of qualification, or certified limited partnership documents with the Department. The requirement is one of several in the bill applicable to various state agencies with regulatory responsibilities. [For additional information, see the position misclassification outreach item summarized under "Workforce Development -- Equal Rights."]

Joint Finance/Legislature: Provision not included.

15. GENERAL PROGRAM OPERATIONS BUDGET REDUCTION

PR	- \$2,610,000
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Joint Finance/Legislature: Reduce the general program operations appropriation budget by \$1,305,000 PR annually. As a result, increase the estimated amounts transferred to the general fund under the bill by a corresponding amount.