



## 1997 ASSEMBLY BILL 318

April 24, 1997 – Introduced by JOINT COMMITTEE ON AUDIT. Referred to Joint committee on Audit.

1     **AN ACT to renumber and amend** 18.57 (4); **to amend** 20.867 (3) (w); and **to**  
2             **create** 18.57 (4) (b) of the statutes; **relating to:** the use of moneys remaining  
3             in a fund for the repayment of revenue bonds issued to fund the Wisconsin  
4             health education assistance loan program and permissible expenditures from  
5             the capital improvement fund.

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### *Analysis by the Legislative Reference Bureau*

Under current law, the state operates a Wisconsin health education assistance loan program (WHEAL) to provide educational loans to medical and dentistry students enrolled in the University of Wisconsin Medical School, the Medical College of Wisconsin or Marquette University School of Dentistry. The WHEAL program is funded by state-issued revenue bonds, which are to be repaid from the repayment of WHEAL educational loans. The interest rate on WHEAL loans is required to be sufficient to cover WHEAL program expenses. Current law also provides for a sum sufficient appropriation from the capital improvement fund for the expenses of contracting and managing public debt and revenue obligations. Although current law would appear to prohibit the use of funds from this sum sufficient appropriation for program costs of the WHEAL program, this bill amends that appropriation to expressly provide that, in the case of a program funded by public debt or revenue obligations, expenses of administering the program are not “expenses of contracting and managing public debt and revenue obligations” and may not be paid from the sum sufficient capital improvement fund appropriation.

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Current law requires that a separate and distinct fund shall be established in the state treasury for each state revenue-producing enterprise or program, such as the WHEAL program, if the income from the enterprise or program is to be applied to the payment of revenue obligations. After the revenue obligations are repaid from this fund, any moneys remaining in the fund are paid into the general fund and the separate and distinct fund is closed. This bill amends this provision to require, in the case of the WHEAL repayment fund, that the first \$2,150,000 of moneys remaining in the fund, after the repayment of revenue obligations issued for the program, shall be deposited in the capital improvement fund and that any remainder shall be paid into the general fund.

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

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

1           **SECTION 1.** 18.57 (4) of the statutes is renumbered 18.57 (4) (intro.) and  
2 amended to read:

3           18.57 (4) (intro.) If, after all outstanding related revenue obligations have been  
4 paid or payment provided for, moneys remain in ~~any such a fund ,they~~ created under  
5 sub. (1), all of the following shall occur:

6           (a) If the fund created under sub. (1) is in an account maintained by a trustee  
7 under s. 18.56 (9) (j), the moneys shall be paid over to the treasury and the.

8           (c) The fund created under sub. (1) shall be closed.

9           **SECTION 2.** 18.57 (4) (b) of the statutes is created to read:

10           18.57 (4) (b) The moneys shall be deposited in the general fund, except that the  
11 first \$2,150,000 of any moneys remaining in a fund created under sub. (1) for the  
12 repayment of revenue bonds under s. 39.374 shall be deposited in the capital  
13 improvement fund.

14           **SECTION 3.** 20.867 (3) (w) of the statutes is amended to read:

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1           20.867 (3) (w) *Bonding services*. From the capital improvement fund, a sum  
2 sufficient to pay the expenses of contracting and managing public debt and revenue  
3 obligations issued pursuant to ch. 18, for reimbursing the legislative audit bureau  
4 for providing opinion audits of financial statements and the general fund for bond  
5 counsel services under s. 165.25 (4) (b), and for the purchase of any higher education  
6 bonds presented for payment prior to maturity under s. 18.83. In the case of a  
7 program funded with public debt or revenue obligations, the cost of administering  
8 the program funded with the public debt or revenue obligations is not an expense of  
9 contracting and managing public debt or revenue obligations under this paragraph.

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(END)