



State of Wisconsin
2015 - 2016 LEGISLATURE

LRB-1670/2
ARG/MES/GMM:wlj/jld/amn

2015 SENATE BILL 416

December 3, 2015 - Introduced by Senators LASSA, OLSEN, SHILLING, ERPENBACH, L. TAYLOR, MARKLEIN and RINGHAND, cosponsored by Representatives PETRYK, MILROY, ZAMARRIPA, OHNSTAD, DANOU, E. BROOKS, KRUG, C. TAYLOR, SPREITZER, SKOWRONSKI, RIPP, A. OTT and ROHRKASTE. Referred to Committee on Universities and Technical Colleges.

1 **AN ACT to create** 20.235 (1) (fr), 39.51, 59.56 (4m) and 106.34 of the statutes;
2 **relating to:** creating a student loan reimbursement program for individuals
3 who relocate to certain rural counties, authorizing non-rural counties to create
4 a similar student loan reimbursement program, granting rule-making
5 authority, and making an appropriation.

Analysis by the Legislative Reference Bureau

This bill creates the Growing Rural Opportunities and Workforce in Wisconsin Program (GROW Wisconsin program), administered by the Higher Educational Aids Board (HEAB), that provides student loan reimbursement payments to individuals who relocate to certain rural counties. Under the program, an individual with an outstanding balance on a student loan may apply to HEAB for student loan reimbursement payments if 1) the individual obtained a degree, or an embedded pathway certificate or technical diploma, prior to establishing residency in a rural opportunity community and prior to applying to HEAB; and 2) the individual establishes residency in a rural opportunity community after the applicable county board adopts a resolution to participate in the GROW Wisconsin program (authorizing resolution). The authorizing resolution must include an irrevocable commitment by the county to participate in the program for at least five years and must specify the maximum total of all payments by the county toward the outstanding balance of an individual's student loan, which payments may not exceed the lesser of \$7,500 or 10 percent of the outstanding balance of the student loan. A

SENATE BILL 416

1 20.235 (1) (fr) *Growing rural opportunities and workforce in Wisconsin*
2 *program.* Biennially, the amounts in the schedule for the growing rural
3 opportunities and workforce in Wisconsin program under s. 39.51.

4 **SECTION 3.** 39.51 of the statutes is created to read:

5 **39.51 Growing rural opportunities and workforce in Wisconsin**
6 **program.** (1) In this section:

7 (a) “Authorizing resolution” means a resolution adopted by a county board that
8 does all of the following:

9 1. Authorizes the county to participate in the program and contains an
10 irrevocable commitment to continue participation in the program for at least 5 years.

11 2. Specifies the maximum total of all payments by the county toward the
12 outstanding balance of an individual’s student loan, which payments may not exceed
13 the lesser of \$7,500 or 10 percent of the outstanding balance of the individual’s
14 student loan.

15 (b) “Institution of higher education” has the meaning given in s. 39.32 (1) (a).

16 (c) “Lender” means any person to whom a student loan is repayable, including
17 an agency, subdivision, or agent of the federal or state government with respect to
18 a student loan made under a federal or state student loan program.

19 (d) “Program” means the growing rural opportunities and workforce in
20 Wisconsin program under this section.

21 (e) “Rural opportunity community” means a county to which all of the following
22 apply:

23 1. The board has received certification under s. 106.34 that the county is an
24 eligible rural county.

25 2. The county board has adopted an authorizing resolution.

SENATE BILL 416**SECTION 3**

1 (f) "Student loan" means a loan made to a resident student for the purpose of
2 providing financial assistance to attend an institution of higher education in this
3 state.

4 (2) (a) An individual is eligible for student loan reimbursement payments
5 under sub. (3) if all of the following apply:

6 1. The individual has submitted to the board a complete application under par.
7 (b) and, at the time of application, has an outstanding balance on any student loan
8 made to the individual.

9 2. The individual establishes residency in a rural opportunity community after
10 the county board adopts an authorizing resolution.

11 3. The individual obtained an embedded pathway certificate, technical
12 diploma, associate degree, bachelor's degree, or graduate degree prior to establishing
13 residency in the rural opportunity community and prior to submitting the
14 application under subd. 1.

15 (b) The board shall prescribe the form of the application for student loan
16 reimbursement under the program. Each application shall identify all of the
17 following:

18 1. All student loans made to the applicant for which there remains an
19 outstanding balance as of the date of the application.

20 2. For each student loan identified under subd. 1., the outstanding balance of
21 the loan as of the date of the application, the payment schedule for the loan, and the
22 scheduled maturity date of the loan.

23 3. For each student loan identified under subd. 1., the name of the lender and
24 the address for sending student loan payments to the lender.

SENATE BILL 416

1 **(3)** (a) Subject to pars. (b) to (g), for each eligible individual under sub. (2) (a)
2 from whom the board receives an application, the board shall make an annual
3 student loan payment to the individual's lender as identified under sub. (2) (b) 3.
4 Subject to pars. (b) to (g), the amount of the payment under this paragraph shall be
5 equal to 10 percent of the outstanding balance of the individual's student loan, as
6 calculated at the time the payment is made.

7 (b) If the individual for whose benefit payments are to be made under par. (a)
8 has identified more than one student loan under sub. (2) (b) 1., the board shall
9 prorate its payments among all student loans identified by the individual.

10 (c) The total amount of all payments by the board under this subsection for the
11 benefit of an individual may not exceed \$7,500, or the amount specified in the
12 authorizing resolution as provided in sub. (1) (a) 2., whichever is less. The board may
13 not make payments under this subsection for the benefit of an individual for more
14 than 5 years.

15 (d) The board may not make a payment under this subsection for the benefit
16 of an individual unless the rural opportunity community, by itself or in conjunction
17 with a municipality or any other person, makes a payment that is equal to or greater
18 than the board's payment.

19 (e) If an individual pays the entire outstanding balance of a student loan prior
20 to the board making payments to the lender under this subsection, the board shall
21 pay directly to the individual the amounts that the board would have paid to the
22 lender.

23 (f) The board may not make any payment under this subsection for the benefit
24 of an individual who submitted an application under sub. (2) (a) 1. after the

SENATE BILL 416**SECTION 3**

1 individual has relocated and established residency outside the rural opportunity
2 community.

3 (g) All payments made by the board under this subsection shall be made from
4 the appropriation account under s. 20.235 (1) (fr). In each fiscal year, the board shall
5 determine the projected total amount of student loan reimbursement payments
6 eligible to be made under this subsection. If the moneys appropriated under s. 20.235
7 (1) (fr) are not sufficient to provide full reimbursement payments under this
8 subsection, the board shall prorate the reimbursement payments under this
9 subsection in the proportion that the moneys available bears to the total amount
10 eligible for payments and shall notify the joint committee on finance that the
11 appropriation under s. 20.235 (1) (fr) is insufficient to fully fund payments under this
12 subsection.

13 (4) Nothing in this section relieves an individual of any contractual duty to a
14 lender to make scheduled payments on a student loan.

15 **SECTION 4.** 59.56 (4m) of the statutes is created to read:

16 59.56 (4m) STUDENT LOAN REIMBURSEMENT PROGRAM. (a) The board of any
17 county that is not a rural opportunity community, as defined in s. 39.51 (1) (e), may
18 create a program that is similar to the growing rural opportunities and workforce in
19 Wisconsin program under s. 39.51.

20 (b) If the board creates such a program, it shall base its program on the program
21 under s. 39.51, except that a board acting under this subsection may set the
22 maximum annual and total payments at whatever amount the board considers
23 appropriate. No individual who is eligible for a student loan reimbursement
24 payment under a program established under this subsection may be eligible for a

SENATE BILL 416

1 state matching grant which may be available to an individual who is eligible for, and
2 participates in, the program under s. 39.51.

3 (c) A county that creates a program under this subsection may partner with any
4 city, village, or town that is located wholly or partly within the county, or with any
5 other person, on whatever terms the parties agree, under which the county's partner
6 helps fund the costs of the payments the county makes under the program.

7 **SECTION 5.** 106.34 of the statutes is created to read:

8 **106.34 Certification of rural counties as eligible for participation in**
9 **the growing rural opportunities and workforce in Wisconsin program. (1)**

10 In this section:

11 (a) "Board" has the meaning given in s. 39.26.

12 (b) "Urbanized area" has the meaning given in 23 USC 134 (b) (7).

13 **(2)** (a) Within 90 days after application by a county, the secretary shall
14 determine whether the county meets the criteria for being an eligible rural county
15 under sub. (3). If the county meets these criteria, the secretary shall certify the
16 county as an eligible rural county for purposes of s. 39.51 and provide a copy of the
17 certification to the board.

18 (b) After a county is certified under par. (a), the secretary shall biennially
19 reexamine the certification and, if the county continues to meet the criteria for being
20 an eligible rural county under sub. (3), recertify the county as an eligible rural county
21 for purposes of s. 39.51 and provide a copy of the recertification to the board.

22 **(3)** The secretary shall certify a county as an eligible rural county, for purposes
23 of s. 39.51, if any of the following applies:

24 (a) The county satisfies all of the following:

25 1. The county does not include any urbanized area.

