

## Clearinghouse Rule 10-027

### PROPOSED ORDER OF THE DEPARTMENT OF ADMINISTRATION CREATING RULES

The Department of Administration proposes the following order to create Chapter Adm 80 relating to the administrative procedures for the Wisconsin Covenant Scholars Program.

#### SUMMARY OF PROPOSED RULE

**Statute interpreted:** Sections 16.257 and 39.437, Stats.

**Statutory authority:** Sections 16.257 and 39.437(5), Stats.

**Explanation of statutory authority:** The proposed rules define the various aspects of the Wisconsin Covenant Scholars Program authorized by s. 39.437, Stats., as created by 2007 Wis. Act 20 as to the awarding of grants to Wisconsin Covenant Scholars.

**Related statutes or rules:** HEA 1.02

**Plain language analysis:** The 2007 Wisconsin Act 20 created s. 39.437 which provides grants to Wisconsin Covenant Scholars who are enrolled at least half-time at an eligible in-state institution. The Wisconsin Higher Educational Aids Board (HEAB) administers this program with the assistance of the Office of the Wisconsin Covenant Scholars Program under s. 39.437. The proposed rules define the various aspects of the Wisconsin Covenant Scholars grant program including the award criteria which begins when students sign the Wisconsin Covenant pledge in middle school and continues through their postsecondary education, as well as the distribution process, and institutional and partner responsibilities.

**Summary of, and comparison with, existing or proposed federal regulation:**  
These rules are not intended to address any proposed or existing federal regulations.

#### **Comparison with rules in adjacent states:**

##### Indiana

The Twenty-first Century Scholars Program began in 1990 as Indiana's way of raising the educational aspirations of low- and moderate-income families. The program aims to ensure that all Indiana families can afford a college education for their children.

Income-eligible 6th, 7th and 8th graders who enroll in the program and fulfill a pledge of good citizenship to the state are guaranteed the cost of four years of undergraduate college tuition at any participating public college or university in Indiana (also includes private, proprietary and Ivy Tech State College). Once enrolled, increase in family income does not affect a student's eligibility to participate in the program. Students must attend full-time.

The administrative rules for this program present similar requirements for award distribution, such as FAFSA filing, and eligibility as they pertain to the Twenty-first Century Scholars Program.



## Iowa

The All Iowa Opportunity Scholarship is a state-funded program that provides Scholarships to students who do well in high school and demonstrate financial need. The Opportunity Scholarship is administered by the Iowa College Student Aid Commission. In 2007, Governor Culver budgeted \$1.5 million for the Scholarship, of which \$500,000 is directed toward Iowa foster children.

Students attending eligible Iowa colleges and universities may receive awards of up to the average tuition and fee rate established for students attending a Regent University. Priority will be given to students who participated in the Federal TRIO Programs, graduated from alternative high schools, and to homeless youth. Opportunity Scholarships are renewable for a second year if the student is attending an Iowa community college, as long as they meet academic standards.

The administrative rules for this program present similar requirements for award distribution, such as FAFSA filing, and eligibility as they pertain to the All Iowa Opportunity Scholarship. An amendment to the state statute is currently pending to modify the current eligibility requirements.

### **Summary of factual data and analytical methodologies:**

The proposed rules were drafted by the Office of the Wisconsin Covenant in collaboration with the Office of the Governor and the Higher Educational Aids Board, and with support from program partners. With an anticipated enrollment of approximately 68,000 to 70,000 ranging from eighth grade students through college students, the rules took into consideration estimated completion rate, financial aid eligibility, unmet need and annual allocation of funds.

### **Analysis and supporting documents used to determine effect on small business:**

The proposed rules have no effect on small business in Wisconsin.

**Effect on small business:** The proposed rules have no effect on small business in Wisconsin.

### **Agency contact person:**

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### **Place where comments are to be submitted and deadline for submission:**

Comments may be submitted to the agency contact person that is listed above until the date given in the future notice of public hearing. The deadline for submitting comments and the notice of public hearing will be posted on the Wisconsin Administrative Rules website at: <http://adminrules.wisconsin.gov> when the public hearing is scheduled.

**Fiscal Estimate**

This rule establishes the eligibility requirements and process by which Wisconsin high school students may be designated as Covenant Scholars and receive a state funded award for post-secondary education expenses.

The Wisconsin Covenant Scholars Program will be administered by the Office of the Wisconsin Covenant (office) with the assistance of the Higher Educational Aids Board (HEAB). Additional information and data will be provided by high schools throughout Wisconsin and Wisconsin institutions of higher education.

**State Fiscal Effect**

The office estimates that it will receive 20,000 annual applications and verification forms for the Covenant program. Once received, existing staff of the office will verify the documents and designate students as Wisconsin Covenant Scholars. The office maintains an existing data base that is capable of tracking the estimated 70,000 participating students through their high school years. This verification and designation process and the tracking system will comprise a major part of the workload of the office but require no additional resources.

The office will also track the progress and continued eligibility of participating Scholars through their post-secondary careers using input provided by the Higher Education Aids Board. HEAB will annotate existing databases to identify Covenant Scholars. Because, no additional data will be collected, this effort can be absorbed within existing HEAB staff and resources.

This rule also requires the University of Wisconsin System, the Wisconsin Association of Independent Colleges and Universities, the Wisconsin Technical College System and the Department of Public Instruction to submit to the Office an annual report describing the nature of the support they provide to Covenant Scholars and the outcomes of that support. It is not anticipated that this report will be so detailed or burdensome that it requires additional resources for any of the reporting agencies.

This rule creates the Wisconsin Covenant College Access Network Council with representatives from major educational institutions in Wisconsin and additional representation from the business and non-profit communities. Representatives of these institutions will be expected to participate, without compensation, as part of their normal duties within the education system.

**Local Fiscal Effect**

Annually, the principal of each Wisconsin high school or principal's designee will submit the names of student Covenant applicants to the office along with a form verifying eligibility. High school officials have indicated to the office that this application and their verification of the application information can be conducted within the existing staffing and resources of the high schools.

**Text of Proposed Rule**

SECTION 1. Chapter ADM 80 is created to read:

Chapter Adm 80  
Wisconsin Covenant Scholars Program

**Adm 80.01 Purpose.** The purpose of this chapter is to define the various aspects of the Wisconsin Covenant Scholars program authorized by s. 39.437, Stats., as created by 2007 Wis. Act 20, as to the awarding of grants to Wisconsin Covenant Scholars, and to implement s. 16.257 Stats.

**Adm 80.02 Definitions. In this chapter and s. 39.437, Stats:**

- (1) "Board" means the higher educational aids board.
- (2) "Eligible institution" means a public or private, non-profit, accredited institution of higher education or a tribally controlled college in Wisconsin which is eligible to participate in the grant program authorized under s. 39.30, Stats.
- (3) "Grant" means a grant awarded under the Wisconsin Covenant Scholars Program, unless otherwise specified.
- (4) "Half-time enrollment" means enrollment in at least six academic credits per semester or the quarterly or special term equivalent as determined by the educational institution.
- (5) "Full-time enrollment" means enrollment in at least twelve academic credits per semester or the quarterly or special term equivalent as determined by the educational institution.
- (6) "Office" means the office of the Wisconsin Covenant Scholars Program.
- (7) "Scholar" means a student determined to be eligible to receive a monetary award under the Wisconsin Covenant scholar program.
- (8) "High school" refers to grades nine through twelve.
- (9) "Serious misdemeanor" means a misdemeanor involving bodily harm or a dangerous weapon.

**Adm 80.03 Designation of Scholar.** (1) To be designated as a Wisconsin Covenant scholar by the office for the purpose of grant eligibility, a student must do all of the following:

- (a) Enroll in the Wisconsin Covenant Scholars Program by submitting the appropriate paperwork to the office by September 30<sup>th</sup> of the student's freshman year in high school.
- (b) Meet the following eligibility requirements:
  1. Receive a diploma from a Wisconsin high school.
  2. Maintain approximately a B average while in high school. The approximate B average shall be calculated in one of the following ways:
    - a. the student has a career cumulative grade point average (GPA) of 2.85 or higher on a 4.0 scale; or
    - b. the student earned a GPA of 3.0 or higher on a 4.0 scale for at least 5 semesters and never earned less than a 2.0 in any semester; or

c. the student earned a GPA of 3.25 or higher on a 4.0 scale during the first semester of senior year and has shown consistent improvement since the beginning of high school.

3. Complete course credit that will prepare the student for the college or university the student intends to attend, which shall be shown in one of the following ways:

a. the student shows admission to at least one eligible institution; or

b. the student lists 3 eligible institutions at which the student intends to apply and confirms that the student's coursework meets or exceeds the course requirements for the colleges or universities listed.

4. Demonstrate good citizenship and engage in activities that support the community. To show that the student has demonstrated good citizenship and engaged in activities that support the community, the student shall meet both of the following requirements:

a. the student must not have been convicted of a felony or serious misdemeanor and, if the student was suspended during high school, the student must provide two letters of recommendation which show substantial personal growth following the suspension from school faculty or other community members; and

b. the student was involved in one of the following activities:

i. extra curricular activities that contain an element of community service and can document at least 30 hours of service; or

ii. a school sponsored service learning experience that meets a high school graduation requirement; or

iii. a service learning experience that was designed by the student, and the results of which were shared with the student's teachers.

5. Show that the student submitted a Free Application for Federal Student Aid (FAFSA) on or before April 1 of his/her senior year of high school.

a. Extensions for extenuating circumstances may be made solely at the discretion of the office.

6. Apply and do all that is necessary to gain admission to an eligible institution, which shall be shown in one of the following ways:

a. has been admitted to at least one eligible institution; or

b. plans to apply to at least 3 eligible institutions and meets those institutions' admission guidelines.

(c) Complete the Wisconsin Covenant Scholar verification form, consistent with the Wisconsin Covenant Scholar verification instructions, and submit the form to the office by April 1<sup>st</sup> of the student's senior year of high school. The form must be signed by the school principal or the principal's designee to be considered valid.

(2) By April 15th of each year, the office will submit to the board a list of Scholars eligible for grant consideration.

(a) The current Wisconsin Covenant scholar verification instructions and form will be available on the office's website ([www.wisconsinCovenant.wi.gov](http://www.wisconsinCovenant.wi.gov)) by August 1<sup>st</sup> of each year and must be completed and sent to the office by April 1 of the following year. In addition, the current Wisconsin Covenant scholar verification instructions and form will be mailed to students who have enrolled in the Wisconsin Covenant Scholars program under subd. (1)(a) by October 31 of their senior year of high school.

**Adm 80.04 Scholar Qualifications for Award.** (1) A scholar who meets the requirements of s. Adm. 80.03 shall receive an award only if all of the following apply:

(a) The scholar is eligible for in-state tuition under guidelines to be issued by the office; and

(b) The scholar is admitted to an eligible institution and enrolled, within one academic year of high school graduation, in a program eligible for federal student aid under Title IV of the federal Higher Education Act leading to an undergraduate degree, diploma, or certificate from an eligible institution. Board staff may make exceptions to the one year enrollment requirement on a case-by-case basis due to health, military service or other personal reasons.

**Adm 80.05 Continuing Scholar Eligibility.** (1) The scholar may receive the grant award for no more than the equivalent of eight semesters. The equivalent may include a combination of traditional semesters, summer terms or other measurements of academic year. The eight semesters need not be continuous, but the student is eligible for the grant only within five academic years of his or her high school graduation.

(2) The scholar may not receive a grant in any semester in which the student is not enrolled at least half-time.

(3) Eligibility for the grant awards ceases if:

(a) The scholar does not maintain acceptable academic standards as prescribed by the student's institution of higher education; or

(b) The scholar does not file an updated Free Application for Federal Student Aid (FAFSA) annually; or

(c) The student does not enroll in accordance with s. Adm. 80.04(1)(b).; or

(d) The scholar is convicted of a felony or serious misdemeanor.

**Adm 80.06 Terms of Grants.** (1) Eligible institutions shall enter into a five-year contract with the board using the established financial aid distribution process. Annual program funds for the Wisconsin Covenant Scholars grant program will be allocated through these contracts for a period of five academic years following the high school graduation of each class of Wisconsin Covenant Scholars.

(2) Grant amounts will be determined by the Estimated Family Contribution (EFC) calculated by the Free Application for Federal Student Aid (FAFSA) based on the following designations:

- (a) For students attending an eligible institution full time:
1. Scholars with an EFC of \$0 will receive \$1,000 yearly grant for the first two years of postsecondary education. For the second two years of postsecondary education, the office shall develop and submit to the board a formula for awarding grants for the upcoming academic years to Scholars enrolled in an eligible institution. This award amount assumes that the Wisconsin Covenant Foundation will continue to grant \$1,500 per year for the first two years of postsecondary education for students with an EFC of \$0. If the Wisconsin Covenant Foundation does not award at least \$1,500 per year for the first two years of postsecondary education, then students with a \$0 EFC will receive \$1,500 per year for the first two years of postsecondary education.
  2. Scholars with an EFC of \$1 to \$3,499 will receive \$1,500 yearly grant for the first two years of postsecondary education. For the second two years of postsecondary education, the office shall develop and submit to the board a formula for awarding grants for the upcoming academic years to Scholars enrolled in an eligible institution.
  3. Scholars with an EFC of \$3,500 to \$11,999 will receive \$1,000 yearly grant for the first two years of postsecondary education. For the second two years of postsecondary education, the office shall develop and submit to the board a formula for awarding grants for the upcoming academic years to Scholars enrolled in an eligible institution.
  4. Scholars with an EFC of \$12,000 or greater will receive \$250 yearly grant for the first two years of postsecondary education. For the second two years of postsecondary education, the office shall develop and submit to the board a formula for awarding grants for the upcoming academic years to Scholars enrolled in an eligible institution.
- (b) For students attending an eligible institution part time:
1. Scholars with an EFC of \$0 to \$3,499 will receive \$750 yearly grant for the first two years of postsecondary education. For the second two years of postsecondary education, the office shall develop and submit to the board a formula for awarding grants for the upcoming academic years to Scholars enrolled in an eligible institution.
  2. Scholars with an EFC of \$3,500 to \$11,999 will receive \$500 yearly grant for the first two years of postsecondary education. For the second two years of postsecondary education, the office shall develop and submit to the board a formula for awarding grants for the upcoming academic years to Scholars enrolled in an institution.
  3. Scholars with an EFC of \$12,000 or greater will receive \$125 yearly grant for the first two years of postsecondary education. For the second two years of postsecondary education, the office shall develop and submit to the board a formula for awarding grants for the upcoming academic years to Scholars enrolled in an eligible institution.

**Adm 80.07 High School Responsibilities.** (1) On or before January 31 of each year, the office will provide to each high school principal or principal's designee a list of students who are eligible for verification in that year. By April 5 of each year, each high school principal or principal's designee is required to provide a list of students who completed the pledge and have been verified via a form provided by the office, as well as those students who did not present a form for verification.

**Adm 80.08 Institutional and Partner Responsibilities.** (1) Each eligible institution shall ensure that the Wisconsin Covenant Scholars grant does not replace other need-based federal, state, or institutional grant assistance in the package of financial aid offered to the scholar by the institution.

(2) Funds shall be returned to the board, using the board's established Return of Funds policy HEA 1.07 for Scholars who withdraw, drop out or fail to enroll.

(3) To help make the Wisconsin Covenant a reality for Wisconsin students and their families, the University of Wisconsin System, the Wisconsin Association of Independent Colleges and Universities, the Wisconsin Technical College System, and the Department of Public Instruction shall work together to ensure:

(a) There is a place for each Covenant Scholar in higher education. The respective systems will work to prioritize the entrance of the Covenant Scholars into their systems and identify a place for each Scholar in the higher education system of their choice.

(b) Covenant Scholars can access available financial resources including but not limited to Scholarships, grants, loans, and work that will put higher education within reach for each Covenant Scholar.

(c) Support for the Covenant Scholars in middle and high school to help them achieve their goals through the continuation, expansion, or establishment of pre-college programming, mentoring, tutoring, and other local supports.

(4) The University of Wisconsin System, the Wisconsin Association of Independent Colleges and Universities, the Wisconsin Technical College System, and the Department of Public Instruction will report annually to the office detailing the nature of support the system is providing for the Covenant Scholars as well the outcomes of this support. This report is intended to connect college access programs with students who have signed the pledge or students who have been designated Wisconsin Covenant Scholars and to highlight best practices of college access programming statewide. The office will work in conjunction with the reporting agencies regarding the annual goals and substance of the report.

**Adm 80.09 Wisconsin Covenant College Access Network Council.** (1) Pursuant to s. 16.257, the office shall establish a Wisconsin Covenant College Access Network Council charged with coordinating statewide college access programs and organizations in an effort to minimize duplication of effort and maximize student pursuit of postsecondary education.

(a) The members of this council shall include:

1. Director, Office of the Wisconsin Covenant;
2. President, University of Wisconsin System;
3. President, Wisconsin Technical College System;
4. President, Wisconsin Association of Independent Colleges and Universities;
5. Superintendent, Wisconsin Department of Public Instruction;
6. Executive Secretary, Higher Education Aids Board

(b) In addition, the council shall appoint associate members representing the following each of the following:

1. A non-profit organization with significant college access programming; and

2. A non-profit organization that provides significant funding for college access programming; and
3. A representative from the business community

**Adm 80.10 Reporting System.** (1) The reporting system contemplated by s. 39.437 (5)(a), Stats., is established under s. HEA 1.02 and administered by the board. The board will share this information on an annual basis with the office.

**SECTION 2. Effective date:** The rules contained in this proposed order will take effect on the first day of the month commencing after the date of publication, pursuant to authority granted by s. 227.22(2) Stats.

Dated: March 1, 2010

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Michael L. Morgan  
Secretary of Administration