



State of Wisconsin  
2021 - 2022 LEGISLATURE

LRB-5848/1  
JAM:emw

## 2021 ASSEMBLY BILL 1057

February 17, 2022 - Introduced by Representatives SORTWELL, MOSES, WICHGERS and ALLEN, cosponsored by Senator JACQUE. Referred to Committee on Colleges and Universities.

- 1 **AN ACT** *to create* 36.28 and 38.25 of the statutes; **relating to:** permissible  
2 financial aid reductions in higher education.

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### *Analysis by the Legislative Reference Bureau*

This bill prohibits University of Wisconsin System institutions and Wisconsin technical colleges from reducing gift aid that the institution or technical college has offered to a student because the student has received a private scholarship unless certain circumstances apply. "Gift aid" is defined in the bill as all financial aid that is not a loan or work-study program and includes grants, scholarships, tuition waivers, and third-party payments. A UW System institution may reduce the amount of a student's offered gift aid in order to comply with the National Collegiate Athletic Association's individual or team financial aid restrictions, and a technical college may reduce the amount of a student's offered gift aid in order to comply with the National Junior College Athletic Association's individual or team financial aid restrictions. Additionally, an institution or technical college may reduce the amount of offered gift aid if the student's total gift aid from all sources exceeds the student's financial need, and the institution or technical college may further reduce a student's offered gift aid if the institution or technical college receives approval to do so from the organization that has awarded the private scholarship that triggered the student's total gift aid exceeding the student's financial need.

**ASSEMBLY BILL 1057**

For further information see the state and local 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.** 36.28 of the statutes is created to read:

2           **36.28 Financial aid reduction restrictions. (1) DEFINITIONS.** In this  
3 section:

4           (a) “Cost of attendance” has the meaning given in 20 USC 1087ll.

5           (b) “Expected family contribution” means the amount determined in  
6 accordance with 20 USC 1087nn.

7           (c) “Financial need” means a student’s cost of attendance minus the student’s  
8 expected family contribution.

9           (d) “Gift aid” means all financial aid that is not a loan or work-study program,  
10 including grants, scholarships, tuition waivers, and third-party payments.

11           (e) “Institutional gift aid” means gift aid that is funded by the system, the  
12 board, or an institution.

13           (f) “Private scholarship” means a scholarship awarded by a company, private  
14 foundation, nonprofit organization, or service group. “Private scholarship” does not  
15 include an award funded by a private organization that is affiliated with the system,  
16 the board, or an institution and that requests that the system, the board, or an  
17 institution provide assistance in selecting recipients.

18           **(2) FINANCIAL AID REDUCTION RESTRICTIONS.** An institution may reduce a  
19 student’s institutional gift aid offer as a result of a private scholarship award only  
20 as described in one or more of the following manners:

**ASSEMBLY BILL 1057****SECTION 1**

1 (a) If a student's total gift aid from all sources exceeds the student's financial  
2 need, an institution may reduce the student's institutional gift aid until the student's  
3 total gift aid no longer exceeds the student's financial need.

4 (b) In addition to the reduction authorized under par. (a), an institution may  
5 further reduce a student's institutional gift aid if the institution receives approval  
6 from the company, private foundation, nonprofit organization, or service group that  
7 awarded the private scholarship that triggered the reduction authorized under par.  
8 (a).

9 (c) An institution may reduce a student athlete's institutional gift aid in order  
10 to comply with the National Collegiate Athletic Association's individual or team  
11 financial aid restrictions.

12 **SECTION 2.** 38.25 of the statutes is created to read:

13 **38.25 Financial aid reduction restrictions. (1) DEFINITIONS.** In this  
14 section:

15 (a) "Cost of attendance" has the meaning given in 20 USC 1087ll.

16 (b) "Expected family contribution" means the amount determined in  
17 accordance with 20 USC 1087nn.

18 (c) "Financial need" means a student's cost of attendance minus the student's  
19 expected family contribution.

20 (d) "Gift aid" means all financial aid that is not a loan or work-study program,  
21 including grants, scholarships, tuition waivers, and third-party payments.

22 (e) "Institutional gift aid" means gift aid that is funded by the board, a district  
23 board, or a technical college.

24 (f) "Private scholarship" means a scholarship awarded by a company, private  
25 foundation, nonprofit organization, or service group. "Private scholarship" does not

**ASSEMBLY BILL 1057****SECTION 2**

1 include an award funded by a private organization that is affiliated with the board,  
2 a district board, or a technical college and that requests that the board, a district  
3 board, or a technical college provide assistance in selecting recipients.

4 (2) FINANCIAL AID REDUCTION RESTRICTIONS. A technical college may reduce a  
5 student's institutional gift aid offer as a result of a private scholarship award only  
6 as described in one or more of the following manners:

7 (a) If a student's total gift aid from all sources exceeds the student's financial  
8 need, a technical college may reduce the student's institutional gift aid until the  
9 student's total gift aid no longer exceeds the student's financial need.

10 (b) In addition to the reduction authorized under par. (a), a technical college  
11 may further reduce a student's institutional gift aid if the technical college receives  
12 approval from the company, private foundation, nonprofit organization, or service  
13 group that awarded the private scholarship that triggered the reduction authorized  
14 under par. (a).

15 (c) A technical college may reduce a student athlete's institutional gift aid in  
16 order to comply with the National Junior College Athletic Association's individual  
17 or team financial aid restrictions.

18 (END)