

March 2, 2000

Assembly Bill 592 (Duff/Darling)

International Baccalaureate Diploma grant program

Summary of Bill --

This would establish a new program administered by HEAB to award grants to Wisconsin International Baccalaureate Degree students who enroll in participating higher ed schools.

Three Wisconsin high schools (King in Milwaukee, Case in Racine and Wausau East) currently offer the IB degree -- this would explain Rep. Huber's support for the bill in committee.

Staff Comments --

While the cost, especially in the start-up years, is relatively minimal, it will only escalate. Also, the administrative costs, while again minimal, seem inordinately high -- too much for administration, not enough for students. This appears to be the rationale of the four Dems who opposed the bill in committee -- that, or they are worried about black helicopters.

Not stellar legislation, but probably not worth irritating Huber, who really wants it, as does Sen. Decker.

Standing Committee Action --

AB 592 was approved on Jan. 12, 2000 by the Assembly Committee on Colleges and Universities on a 6-4 vote (Rep. Richards was only Dem in support. Reps Plouff, Boyle, Lassa and Meyer voted no).

Recommended JFC Action --

Passage of AB 592.

Bob



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March 2, 2000

TO: Members
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Assembly Bill 592: Grants to Students Who Earn International Baccalaureate Diplomas

Assembly Bill 592 was introduced on November 18, 1999, and referred to the Assembly Committee on Colleges and Universities. On January 12, 2000, that Committee adopted Assembly Amendment 1 to AB 592 and recommended passage of the bill, as amended, on a vote of 6 to 4.

BACKGROUND

The International Baccalaureate (IB) Diploma program is a rigorous, two-year course of study offered at approximately 800 high schools in 100 countries. Participating students enroll in six courses selected from a limited number of approved courses in the humanities and sciences. In addition, all IB Diploma candidates are required to complete core activities including a theory of knowledge course, an independent research project culminating in a 4,000-word essay, and participation in nonacademic activities including theatre, sports and community service. In order to earn an IB Diploma, a student must demonstrate, by examination, his or her knowledge and proficiency in the selected courses and successfully complete the core activities. The exams, which are offered in May and November of each year, are graded by a group of 3,500 certified examiners worldwide. Each year, approximately 80% of the IB Diploma candidates earn the Diploma. Most major public and private colleges and universities in the U.S. recognize the IB Diploma in their admissions processes and many offer advanced standing or credits to Diploma holders. Most of the four-year UW System institutions offer advanced placement credits to students who receive certain minimum scores on IB Diploma examinations and UW-Green Bay and UW-La Crosse grant automatic acceptance to full IB Diploma applicants.

The IB Diploma program is administered by the International Baccalaureate Organization (IBO), a private, nongovernmental organization with headquarters in Geneva, Switzerland. The program was founded in 1965 to establish a common curriculum for students who moved frequently between countries. In order to participate, a student must be in good standing at a school authorized by the IBO to offer the curriculum. A school that wishes to offer the program must participate in an application process that includes counseling, an on-site inspection visit, submittal of written documentation and adoption of certain criteria and standards for membership.

SUMMARY OF BILL

Assembly Bill 592 would establish a new program, to be administered by the Higher Educational Aids Board (HEAB), under which grants of \$250 each would be awarded to students who receive International Baccalaureate Diplomas upon graduating from high school. In addition to receiving the IB Diploma when he or she graduates from high school, in order to be eligible, a student would have to: (a) enroll on a full-time basis at a participating higher education institution by September 30 of the academic year immediately following the school year in which the student received the IB diploma; (b) remain enrolled at a participating institution and maintain at least a 3.0 grade point average, or the equivalent as determined by the institution; and (d) make satisfactory progress towards an associate or a bachelor's degree, as determined by HEAB.

UW System institutions, Wisconsin Technical College System (WTCS) districts and private higher education institutions located in Wisconsin would be eligible to participate in the program. An institution that wishes to participate would have to notify HEAB of its intent by October 1 of the year before the academic year in which the institution wishes to participate. A participating institution could withdraw from the program by notifying HEAB of its intent by October 1 of the year preceding the academic year in which the institution will no longer participate. The bill would require a participating higher education institution to award an eligible student a \$250 matching grant, bringing the total grant amount to \$500 per year. The bill would specify that a UW System institution could award the matching grant by a waiver of academic fees (resident tuition).

An eligible student could receive a grant for no more than four academic years if the student is enrolled at a UW System campus or private institution and for no more than three years if the student is enrolled at a WTCS institution. The bill would prohibit HEAB and participating institutions from using the grant to supplant any other grant for which a student may be eligible.

A sum sufficient appropriation would be created within HEAB to pay for the state's share of the grants. AB 592 would require HEAB to promulgate rules to implement and administer the program.

Assembly Amendment 1

Assembly Amendment 1 to AB 592 would specify that only Wisconsin residents would be eligible to receive the grants. In addition, the amendment would change the wording in the bill provision regarding matching grants provided by UW institutions to permit the use of "remission" of academic fees, rather than "waiver" of academic fees. The amendment would also make a technical change to the bill to authorize the use of remissions to fund the matching grants.

FISCAL EFFECT

Cost of Grants

AB 592 would create a GPR sum sufficient appropriation within HEAB to pay for the state's share of the grants to students who earn IB Diplomas and attend participating higher education institutions. Under the bill, a higher education institution would be required to notify HEAB of its intent to participate in the program by October 1 of the year preceding the academic year in which the institution plans to participate in the program. Therefore, grants could first be awarded to eligible students who enroll at a participating college or university in the Fall of 2001. As such, no funds would be expended from the new appropriation until the 2001-03 biennium.

There are currently three Wisconsin high schools (Wausau East, Case in Racine, and Rufus King in Milwaukee) that are authorized to offer the IB Diploma curriculum. According to information provided by the IBO, of the 3,883 U.S. students who received IB Diplomas in May 1999, 32 attended one of the three Wisconsin high schools. Since the number of Wisconsin colleges and universities that would choose to participate in the program and the number of eligible students who would choose to enroll at those participating institutions are not known, it is not possible to determine the actual cost of the grants to the state. However, since AA 1 to AB 592 would limit eligibility for the grants to Wisconsin residents, the maximum cost of the grants to the state in the first year, assuming the number of Diploma recipients remains constant, would be \$8,000. Since a student could receive a grant for up to four years, the cost of the program could increase to \$32,000 by 2004-05. If the number of students receiving IB Diplomas and/or the number of IB Diploma holders choosing to enroll at participating institutions were to increase, the total cost of the grants would increase.

Under the bill, participating colleges and universities would be required to provide a matching grant of \$250 to each eligible student. However, since participation in the program would be voluntary, the impact of the bill on UW and WTCS institutions cannot be determined. In its fiscal note to the bill, the UW System states that UW institutions received transcripts from 25 of the students who received the Diploma in May, 1999. Of these students, 13 were Wisconsin residents and 12 were nonresidents. UW System staff indicate that although it is not known how many, if any, of these students actually enrolled at a UW institution, it is likely that most of the students who submitted transcripts did enroll. If the program had been implemented in 1999-00 and all of these

students enrolled, the total cost to the institutions under AB 592 for that year would have been \$6,250. The University notes that if 25 new IB Diploma holders enrolled each year, the total cost to the campuses would be \$25,000 by the fourth year after implementation. Based on the same assumptions, the cost to the UW institutions under AB 592 as amended by AA 1 would have been \$3,250 in 1999-00 and \$13,000 after four years. The University indicates that the matching grants would be funded from tuition remissions.

In its fiscal note to AB 592, the State WTCS Board indicates that costs to WTCS districts due to the bill would be negligible. WTCS Board staff note that less than 10 IB Diploma recipients currently enroll each year at a technical college and those students are not typically enrolled on a full-time basis, which would be required to maintain eligibility for the grant. Further, the fiscal note indicates that WTCS districts are unlikely to participate in the program unless the required matching grants could be obtained through private donations.

Administrative Costs

In its fiscal note to AB 592, HEAB estimates that the agency would require \$12,233 and a 0.25 FTE computer systems specialist position to establish and administer the program in the first year. HEAB staff indicate that the need for this position beyond the first year is uncertain. This estimate is based on the assumption that 10 to 11 students would receive the grants each year. No monies or positions are provided in the bill for this purpose.

The UW System estimates that it would incur staff and computer processing costs of \$2,000 annually in addition to \$10,000 in one-time expenses to integrate HEAB data regarding eligible students and the University's financial aid and admissions systems. However, the University indicates that these costs could be absorbed.

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