

2015 DRAFTING REQUEST

Senate Substitute Amendment (SSA-SB228)

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Pre Topic:

No specific pre topic given

Topic:

Academic excellence scholarships; amount of scholarships; number of scholarships to be awarded; eligibility criteria for scholarships; individual income tax credit for scholarship recipients

Instructions:

See attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	mshovers 10/20/2015	wjackson 10/21/2015	_____			
/P1	mshovers 12/8/2015		_____	lparisi 10/21/2015		
/P2	agary	aernstr	_____	srose		

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
	12/14/2015	12/15/2015	_____	12/8/2015		
/P3	agary 12/18/2015	aernsttr 12/22/2015	_____	sbasford 12/15/2015		
/P4	agary 1/4/2016	kmochal 1/4/2016	_____	lparisi 12/22/2015		
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FE Sent For:

<END>



State of Wisconsin
2015 - 2016 LEGISLATURE

LRB-2281/1
ARG&MES:wj:wj

2015 BILL

Instructions
for sub.
received from
Eghan 10/20

1 **AN ACT to repeal** 39.41 (1m) (a) 2., 39.41 (1m) (a) 3., 39.41 (1m) (a) 4., 39.41 (1m)
2 (a) 6., 39.41 (1m) (h) and 39.41 (1m) (i); **to renumber and amend** 39.41 (1m)
3 (d) and 39.41 (1m) (e); **to amend** 39.41 (1m) (a) 1., 39.41 (1m) (a) 5., 39.41 (1m)
4 (b), 39.41 (1m) (c) 3., 39.41 (1m) (c) 4., 39.41 (1m) (g), 39.41 (1m) (j), 39.41 (2) (a),
5 39.41 (2) (b), 39.41 (2) (c), 39.41 (3) (a) and 39.41 (3) (b); and **to create** 39.41
6 (3m), 71.07 (5p) and 71.10 (4) (cs) of the statutes; **relating to:** the amount of
7 an academic excellence higher education scholarship, the number of those
8 scholarships that may be awarded in an academic year, the eligibility criteria
9 for those scholarships, and creating an individual income tax credit for certain
10 academic scholarship recipients.

Analysis by the Legislative Reference Bureau

Under current law, the Higher Educational Aids Board (HEAB) administers the Academic Excellence Higher Education Scholarship Program under which HEAB awards scholarships to certain scholars, designated on the basis of grade point average (GPA), who enroll, on a full-time basis, in a public or private institution of higher education in this state. Under the program, an academic

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excellence higher education scholarship recipient is exempt from up to \$2,250 in tuition and fees for each academic year that the recipient is enrolled full time, maintains at least a 3.000 GPA, and makes satisfactory progress toward an associate or a bachelor's degree or a vocational diploma.

Currently, the scholarships may be awarded to 1) the senior with the highest GPA from each high school in this state enrolling at least 80 but fewer than 500 pupils; 2) the two seniors with the two highest GPAs from each high school in this state enrolling at least 500 but fewer than 1,000 pupils; 3) the three seniors with the three highest GPAs from each high school in this state enrolling at least 1,000 but fewer than 1,500 pupils; 4) the four seniors with the four highest GPAs from each high school in this state enrolling at least 1,500 but fewer than 2,000 pupils; 5) the five seniors with the five highest GPAs from each high school in this state enrolling at least 2,000 but fewer than 2,500 pupils; and 6) the six seniors with the six highest GPAs from each high school in this state enrolling 2,500 or more pupils. In addition, the scholarships may be awarded to the senior with the highest GPA from the school operated by the Wisconsin Center for the Blind and Visually Impaired (WCBVI) and the school operated by the Wisconsin Educational Services Program for the Deaf and Hard of Hearing (WESPDHH), and not more than ten scholarships statewide may be awarded to seniors with the highest GPAs from high schools enrolling fewer than 80 pupils.

This bill increases the amount of an academic excellence higher education scholarship for a scholarship recipient attending a public institution of higher education to 50 percent of the tuition and fees at that institution and increases the amount of such a scholarship for a scholarship recipient attending a private institution of higher education to 50 percent of the tuition and fees charged a resident undergraduate student at the University of Wisconsin-Madison.

The bill also creates a nonrefundable individual income tax credit for a scholarship recipient who graduates from an institution within the University of Wisconsin System, a technical college district school, or a private institution of higher education with a bachelor's degree, an associate degree, or vocational diploma and who resides and works in this state.

The amount for which an individual may claim a credit, which is defined as an "eligible amount," is an amount equal to 50 percent of all tuition and fees charged one full-time student by the institution or school attended by the scholarship recipient for the years in which the scholarship recipient received an academic excellence higher education scholarship or, in the case of a scholarship recipient who attended a private institution of higher education, an amount equal to 50 percent of the tuition and fees charged one full-time resident undergraduate student at the University of Wisconsin-Madison for the years in which the scholarship recipient received an academic excellence higher education scholarship.

The credit may be claimed only for the five taxable years following the claimant's graduation, and the claimant may claim only one-fifth of the eligible amount each year. To claim the credit, a claimant must be a full-year resident of this state for the year to which the claim relates, and the majority of the wages earned

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by the claimant in the year to which the claim relates must have been earned in this state.

Because the credit is nonrefundable, no refund is paid if the amount of credit for which a claimant is eligible exceeds his or her tax liability.

In addition, the bill reduces the number of academic excellence higher education scholarships that may be awarded in an academic year to one scholarship for each high school with an enrollment of at least 300 pupils but fewer than 1,500 pupils, to two scholarships for each high school with an enrollment of 1,500 or more pupils, and to not more than 70 scholarships statewide for high schools with enrollments of fewer than 300 pupils. The bill, however, does not affect the scholarships for schools operated by the WCBVI or the WESPDHH.

Finally, the bill requires a pupil to have a GPA of at least 3.500 and a score of at least 30 on the American College Test (commonly referred to as the ACT) in order to qualify for an academic excellence higher education scholarship. The bill, however, does not apply the GPA and ACT score requirements to a pupil of a school operated by the WCBVI or the WESPDHH.

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

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

1 SECTION 1. 39.41 (1m) (a) 1. of the statutes is amended to read:

2 39.41 (1m) (a) 1. For each high school with an enrollment of at least ~~80~~ 300

3 pupils but less ~~fewer~~ than ~~500~~ 1,500 pupils, designate the senior with the highest

4 grade point average in all subjects, but not less than 3.500 or the equivalent, and with

5 a score of at least ²⁸ ~~30~~ on the American college test as a scholar. If the senior with the

6 highest grade point average in all subjects does not have a score of at least ²⁸ ~~30~~ on the

7 American college test, the school board or governing body shall designate the senior

8 with the next highest grade point average in all subjects, but not less than 3.500 or

9 the equivalent, and with a score of at least ~~30~~ on the American college test as a

10 scholar. ²⁸

11 SECTION 2. 39.41 (1m) (a) 2. of the statutes is repealed.

12 SECTION 3. 39.41 (1m) (a) 3. of the statutes is repealed.

Stays but
28 ACT

Section 5 2, 3, 4, 6

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1 SECTION 4. 39.41 (1m) (a) 4. of the statutes is repealed. — *Stays but 28 ACT*

2 SECTION 5. 39.41 (1m) (a) 5. of the statutes is amended to read:

3 39.41 (1m) (a) 5. For each high school with an enrollment of 2,000 ~~1,500~~ or more
4 pupils, designate the ~~5~~ ² seniors with the ~~5~~ ² highest grade point averages in all
5 subjects, but not less than 3.500 or the equivalent, and with scores of at least ²⁸ 30 on
6 the American college test as scholars. If any of the seniors with the highest grade
7 point average in all subjects does not have a score of at least ²⁸ 30 on the American
8 college test, the school board or governing body shall designate the senior with the
9 next highest grade point average in all subjects, but not less than 3.500 or the
10 equivalent, and with a score of at least ²⁸ 30 on the American college test as a scholar.

11 SECTION 6. 39.41 (1m) (a) 6. of the statutes is repealed. — *Stays but 28 ACT added*

12 SECTION 7. 39.41 (1m) (b) of the statutes is amended to read:

13 39.41 (1m) (b) Subject to par. (e), by February 25 of each school year, the school
14 board of each school district operating one or more high schools and the governing
15 body of each private high school and of each tribal high school may, for each high
16 school with an enrollment of less ~~fewer~~ than ~~80~~ ³⁰⁰ pupils, nominate the senior with
17 the highest grade point average in all subjects, but not less than 3.500 or the
18 equivalent, and with a score of not less than ²⁸ 30 on the American college test who may
19 be designated as a scholar by the executive secretary under par. (c) 3. If the senior
20 with the highest grade point average in all subjects does not have a score of at least
21 ³⁰ 30 on the American college test, the school board or governing body shall nominate
22 the senior with the next highest grade point average in all subjects, but not less than
23 3.500 or the equivalent, and with a score of at least ³⁰ 30 on the American college test
24 for designation as a scholar.

25 SECTION 8. 39.41 (1m) (c) 3. of the statutes is amended to read:

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1 39.41 (1m) (c) 3. Designate not more than 10 70 seniors nominated under par.
2 (b) as scholars.

3 **SECTION 9.** 39.41 (1m) (c) 4. of the statutes is amended to read:

4 39.41 (1m) (c) 4. For each public, private, or tribal high school with an
5 enrollment of at least 80 300 pupils, notify the school board of the school district
6 operating the public high school or the governing body of the private or tribal high
7 school of the number of scholars to be designated under par. (a).

8 **SECTION 10.** 39.41 (1m) (d) of the statutes is renumbered 39.41 (1m) (d) 1. and
9 amended to read:

10 39.41 (1m) (d) 1. By February 25 of each school year, if 2 or more seniors from
11 the same high school of at least 80 300 pupils have the same grade point average and,
12 except for the limitation on the number of designated scholars, are otherwise eligible
13 for designation under par. (a), the faculty of the high school shall select the applicable
14 number of seniors for designation under par. (a) as scholars and shall certify, in order
15 of priority, any remaining seniors with the same grade point average and with scores
16 of at least 30 on the American college test as alternates for the scholars or, if there
17 is no remaining senior with the same grade point average and with a score of at least
18 30 on the American college test, any remaining seniors with the next highest grade
19 point average, but not less than 3.800 3.500 or the equivalent, and with scores of at
20 least 30 on the American college test as alternates for the scholars.

21 2. If a senior ~~from that high school~~ designated as a scholar under par. (a) does
22 not qualify for a higher education scholarship under sub. (2) (a) or (3) (a), an alternate
23 ~~for the scholar from the scholar's high school~~ with the same grade point average as
24 any senior from that high school designated as a scholar under par. (a) and with a
25 score of at least 30 on the American college test shall be eligible for a higher education

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1 scholarship as a scholar under sub. (2) (a) or (3) (a) until the scholarship may be
2 awarded by the board. If an alternate with the same grade point average as a scholar
3 under par. (a) and with a score of at least 30 on the American college test does not
4 qualify for a higher education scholarship under sub. (2) (a) or (3) (a), an alternate
5 with the next highest grade point average, but not less than ~~3.800~~ 3.500 or the
6 equivalent, and with a score of at least 30 on the American college test shall be
7 eligible for a higher education scholarship as a scholar under sub. (2) (a) or (3) (a)
8 until the scholarship may be awarded by the board.

9 SECTION 11. 39.41 (1m) (e) of the statutes is renumbered 39.41 (1m) (e) 1. and
10 amended to read:

11 39.41 (1m) (e) 1. If 2 or more seniors from the same high school of less fewer
12 than ~~30~~ 300 pupils have the same grade point average and, except for the limitation
13 of one nominated senior, are otherwise eligible for nomination under par. (b), the
14 faculty of the high school shall select the senior who may be nominated by the school
15 board of the school district operating the public high school or the governing body of
16 the private or tribal high school for designation under par. ~~(b)~~ (c) 4. as a scholar by
17 the executive secretary.

18 2. If ~~that~~ a senior is designated as a scholar by the executive secretary, ~~but~~
19 under par. (c) 4. does not qualify for a higher education scholarship under sub. (2) (a)
20 or (3) (a), the faculty of the high school shall select, in order of priority, one or more
21 of the remaining seniors with the same grade point average and with a score of at
22 least 30²⁴ on the American college test for certification as a scholar or, if there is no
23 remaining senior with the same grade point average and with a score of at least 30
24 on the American college test, one or more of the remaining seniors with the next
25 highest grade point average, but not less than ~~3.800~~ 3.500 or the equivalent, and with

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1 a score of at least 30 on the American college test for certification as a scholar, and
2 the school board of the school district operating the high school or the governing body
3 of the private or tribal high school shall certify to the board one or more of these
4 seniors as eligible for a higher education scholarship as a scholar under sub. (2) (a)
5 or (3) (a) until the scholarship may be awarded by the board.

6 **SECTION 12.** 39.41 (1m) (g) of the statutes is amended to read:

7 39.41 (1m) (g) Notwithstanding par. (a), if a high school of at least ~~80 300~~ pupils
8 closes or merges in the 1991-92 school year or in any school year thereafter, the
9 school board of the school district operating the high school or the governing body of
10 the private or tribal high school shall, subject to par. (d), for each of the 2 school years
11 following the closure or merger, designate the same number of scholars from among
12 the pupils enrolled in the high school at the time of closure or merger as the number
13 of scholars designated for that high school in the school year the high school closed
14 or merged. Any seniors designated under this paragraph shall be eligible for an
15 original scholarship under this section.

16 **SECTION 13.** 39.41 (1m) (h) of the statutes is repealed.

17 **SECTION 14.** 39.41 (1m) (i) of the statutes is repealed.

18 **SECTION 15.** 39.41 (1m) (j) of the statutes is amended to read:

19 39.41 (1m) (j) ~~In the event that~~ If 2 or more seniors from the same high school
20 of at least ~~80~~ 300 pupils have the same grade point average and are otherwise eligible
21 for designation under par. (a), the school board of the school district operating the
22 high school or the governing body of the private or tribal high school shall make the
23 designation of the faculty of the high school for purposes of par. (d) ~~or (i)~~.

24 **SECTION 16.** 39.41 (2) (a) of the statutes is amended to read:

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1 39.41 (2) (a) If a designated scholar under sub. (1m) is admitted to and enrolls,
2 on a full-time basis, by September 30 of the academic year immediately following the
3 school year in which the senior was designated a scholar, in an institution within the
4 University of Wisconsin System or in a technical college district school that is
5 participating in the program under this section, the scholar shall receive a higher
6 education scholarship that exempts the scholar from 50 percent of all tuition and
7 fees, including segregated fees, at the institution or district school for one year,
8 ~~except that the maximum scholarship for a scholar who receives an original~~
9 ~~scholarship for the 1996-97 academic year or for any academic year thereafter may~~
10 ~~not exceed \$2,250 per academic year.~~

11 **SECTION 17.** 39.41 (2) (b) of the statutes is amended to read:

12 39.41 (2) (b) For each year that a scholar who receives a scholarship under par.
13 (a) is enrolled full time, maintains at least a 3.000 grade point average, or the
14 equivalent as determined by the institution or district school, and makes satisfactory
15 progress toward an associate degree, a bachelor's degree, or a vocational diploma, the
16 ~~student~~ scholar shall be exempt from 50 percent of all tuition and fees, including
17 segregated fees, in the subsequent year or, if the scholar does not enroll in a
18 participating institution of higher education in the subsequent year, in the 2nd year
19 following the year in which the scholar received the scholarship, ~~except that the~~
20 ~~maximum scholarship for a scholar who receives an original scholarship for the~~
21 ~~1996-97 academic year or for any academic year thereafter may not exceed \$2,250~~
22 ~~per academic year.~~ No scholar is eligible for an exemption for more than 4 years in
23 the University of Wisconsin System or more than 3 years at a district school.

24 **SECTION 18.** 39.41 (2) (c) of the statutes is amended to read:

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1 39.41 (2) (c) Subject to sub. (4), for each year ~~the student~~ that a scholar is
2 exempt from tuition and fees under par. (a) or (b), the board shall pay the institution
3 or district school, on behalf of the ~~student~~ scholar, an amount equal to ~~50%~~ 25 percent
4 of the ~~student's~~ scholar's tuition and fees, ~~except that the maximum payment for a~~
5 ~~student who receives an original scholarship for the 1996-97 academic year or for~~
6 ~~any academic year thereafter may not exceed \$1,125 per academic year.~~

7 **SECTION 19.** 39.41 (3) (a) of the statutes is amended to read:

8 39.41 (3) (a) If a designated scholar under sub. (1m) is admitted to and enrolls,
9 on a full-time basis, by September 30 of the academic year immediately following the
10 school year in which the senior was designated a scholar, in a private institution of
11 higher education that is located in this state and participating in the program under
12 this section, the board shall pay the institution, on behalf of the ~~pupil~~ scholar, an
13 amount equal to ~~50%~~ 25 percent of the tuition and fees charged a resident
14 undergraduate at the University of Wisconsin-Madison in the same academic year,
15 ~~except that the maximum payment for a pupil who receives an original scholarship~~
16 ~~for the 1996-97 academic year or for any academic year thereafter may not exceed~~
17 ~~\$1,125 per academic year.~~

18 **SECTION 20.** 39.41 (3) (b) of the statutes is amended to read:

19 39.41 (3) (b) For each year that a scholar who receives a scholarship under par.
20 (a) is enrolled full time, maintains at least a 3.000 grade point average, or the
21 equivalent as determined by the private institution, and makes satisfactory progress
22 toward a bachelor's degree, the ~~student~~ scholar is eligible for a higher education
23 scholarship as determined under par. (a) in the subsequent year or, if the scholar does
24 not enroll in a participating institution of higher education in the subsequent year,
25 in the 2nd year following the year in which the scholar received the scholarship. No

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1 scholar is eligible for a higher education scholarship for more than 4 years at a
2 private institution of higher education.

3 **SECTION 21.** 39.41 (3m) of the statutes is created to read:

4 39.41 (3m) (a) In addition to receiving a scholarship under sub. (2), if the
5 scholar graduates from an institution within the University of Wisconsin System or
6 a technical college district school with a bachelor's degree, an associate degree, or a
7 vocational diploma, the scholar may claim the credit under s. 71.07 (5p).

8 (b) In addition to receiving a scholarship under sub. (3), if the scholar graduates
9 from a private institution of higher education located in this state with a bachelor's
10 degree, an associate degree, or a vocational diploma, the scholar may claim the credit
11 under s. 71.07 (5p).

12 **SECTION 22.** 71.07 (5p) of the statutes is created to read:

13 71.07 (5p) **ACADEMIC SCHOLARSHIP TAX CREDIT.** (a) *Definitions.* In this
14 subsection:

15 1. "Claimant" means an individual who files a claim under this subsection, who
16 has received a scholarship under s. 39.41 (2) or (3), and who has graduated from the
17 institution or school with regard to which he or she received the scholarship, as
18 described in s. 39.41 (3m) (a) or (b).

19 2. "Eligible amount" means 50 percent of all tuition and fees, including
20 segregated fees, that would have been charged to a single full-time student by the
21 institution or school attended by an individual who received a higher education
22 scholarship under s. 39.41 (2) for the years in which the individual received the
23 scholarship under that subsection, or 50 percent of all tuition and fees charged a
24 single full-time resident undergraduate at the University of Wisconsin-Madison for
25 the years in which an individual who received a scholarship under s. 39.41 (3)

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1 attended a private institution of higher education located in this state for the years
2 in which the individual received the scholarship under that subsection.

3 (b) *Filing claims.* Subject to the conditions and limitations provided in this
4 subsection, a claimant may claim as a credit against the tax imposed under s. 71.02,
5 up to the amount of those taxes, one-fifth of an eligible amount in the taxable year
6 that immediately follows the year in which the individual graduates, as described in
7 s. 39.41 (3m) (a) or (b), and an additional one-fifth of an eligible amount in each of
8 the next 4 successive taxable years.

9 (c) *Conditions and limitations.* 1. No individual may file a claim under this
10 subsection unless he or she submits to the department with his or her tax return, on
11 a form prepared by the department, information regarding the calculation of that
12 individual's eligible amount.

13 2. No individual may file a claim under this subsection unless he or she was a
14 full-year resident of this state in the year to which the claim relates, and the majority
15 of the wages he or she earned during the year to which the claim relates were earned
16 in this state.

17 3. No credit may be allowed under this subsection unless it is claimed within
18 the period specified under s. 71.75 (2).

19 4. No individual may file a claim under this subsection for any taxable year
20 other than the taxable year that begins immediately after the taxable year in which
21 the claimant graduates from the institution or school with regard to which he or she
22 received the scholarship, as described in s. 39.41 (3m) (a) or (b), and the next 4
23 successive taxable years.

24 (d) *Administration.* Subsection (5m) (d), as it applies to the credit under that
25 subsection, applies to the credit under this subsection.

w/ law
school
need
Dental
Students?

Instructions for sub
received from Ethan 10/20

39.41 Academic excellence higher education scholarships.

(1) In this section:

- (ae) "Executive secretary" means the executive secretary of the board.
- (ag) "Faculty of the high school" means the principal administrative unit of the faculty personnel of a high school designated under sub. (1m) (j).
- (aj) "Governing body of a private school" has the meaning given in s. 115.001 (3d).
- (av) "School board" has the meaning given in s. 115.001 (7).
- (b) "School district" has the meaning given in s. 115.01 (3).
- (bm) "Senior" means a pupil enrolled in the 12th grade in a public or private high school, a tribal school, the school operated by the Wisconsin Educational Services Program for the Deaf and Hard of Hearing, or the school operated by the Wisconsin Center for the Blind and Visually Impaired.
- (br) "Tribal school" has the meaning given in s. 115.001 (15m).
- (c) "Vocational diploma" means a diploma granted to a person who has completed a 2-year, full-time program in an area designated and approved by the technical college system board for which the course requirements are established by that board.

(1m)

(a) Subject to par. (d), by February 25 of each school year, the school board of each school district operating one or more high schools and the governing body of each private high school and of each tribal high school shall:

1. For each high school with an enrollment of at least 80 pupils but less than 500 pupils, designate the senior with the highest grade point average in all subjects as a scholar.
2. For each high school with an enrollment of at least 500 pupils but less than 1,000 pupils, designate the 2 seniors with the 2 highest grade point averages in all subjects as scholars.
3. For each high school with an enrollment of at least 1,000 pupils but less than 1,500 pupils, designate the 3 seniors with the 3 highest grade point averages in all subjects as scholars.
4. For each high school with an enrollment of at least 1,500 pupils but less than 2,000 pupils, designate the 4 seniors with the 4 highest grade point averages in all subjects as scholars.
5. For each high school with an enrollment of 2,000 or more pupils, designate the 5 seniors with the 5 highest grade point averages in all subjects as scholars. *but fewer than 2,500*
6. For each high school with an enrollment of 2,500 or more pupils, designate the 6 seniors with the 6 highest grade point averages in all subjects as scholars.

(b) Subject to par. (e), by February 25 of each school year, the school board of each school district operating one or more high schools and the governing body of each private high school and of each tribal high school may, for each high school with an enrollment of less than 80 pupils, nominate the senior with the highest grade point average in all subjects who may be designated as a scholar by the executive secretary under par. (c) 3. — *must have a 3.500 + 28 ACT. If highest doesn't have 28 Act,*

(c) The executive secretary shall:

1. Subject to par. (f), for the school operated by the Wisconsin Center for the Blind and Visually Impaired, designate the senior with the highest grade point average in all subjects as a scholar. *next highest GPA over 3.500 must get 28 Act.*
2. Subject to par. (fm), for the school operated by the Wisconsin Educational Services Program for the Deaf and Hard of Hearing, designate the senior with the highest grade point average in all subjects as a scholar. *28 Act + 3.5 GPA*
3. Designate not more than 10 seniors nominated under par. (b) as scholars. ~~28 Act + 3.5 GPA~~
4. For each public, private, or tribal high school with an enrollment of at least 80 pupils, notify the school board of the school district operating the public high school or the governing body of the private or tribal high school of the number of scholars to be designated under par. (a).
5. For each public, private, or tribal high school with an enrollment of less than 80 pupils, notify the school board of the school district operating the public high school or the governing body of the private or tribal

in par. (1) "Seniors" must also have a GPA greater than 3.500. Alternates may be selected if they have a 3.5 + 28 ACT. *and on ACT higher than 28.*

high school that the school board or governing body may nominate a senior under par. (b) who may be designated as a scholar by the executive secretary.

(cm) The executive secretary may grant waivers under par. (m).

(d) By February 25 of each school year, if 2 or more seniors from the same high school of at least 80 pupils have the same grade point average and, except for the limitation on the number of designated scholars, are otherwise eligible for designation under par. (a), the faculty of the high school shall select the applicable number of seniors for designation under par. (a) as scholars and shall certify, in order of priority, any remaining seniors with the same grade point average as alternates for the scholars or, if there is no remaining senior with the same grade point average, any remaining seniors with the next highest grade point average, but not less than 3.800 or the equivalent, as alternates for the scholars. If a senior from that high school designated as a scholar under par. (a) does not qualify for a higher education scholarship under sub. (2) (a) or (3) (a), an alternate for the scholar with the same grade point average as any senior from that high school designated as a scholar under par. (a) shall be eligible for a higher education scholarship as a scholar under sub. (2) (a) or (3) (a) until the scholarship may be awarded by the board. If an alternate with the same grade point average as a scholar under par. (a) does not qualify for a higher education scholarship under sub. (2) (a) or (3) (a), an alternate with the next highest grade point average, but not less than 3.800 or the equivalent, shall be eligible for a higher education scholarship as a scholar under sub. (2) (a) or (3) (a) until the scholarship may be awarded by the board.

(e) If 2 or more seniors from the same high school of less than 80 pupils have the same grade point average and, except for the limitation of one nominated senior, are otherwise eligible for nomination under par. (b), the faculty of the high school shall select the senior who may be nominated by the school board of the school district operating the public high school or the governing body of the private or tribal high school for designation under par. (b) as a scholar by the executive secretary. If that senior is designated as a scholar by the executive secretary, but does not qualify for a higher education scholarship under sub. (2) (a) or (3) (a), the faculty of the high school shall select, in order of priority, one or more of the remaining seniors with the same grade point average for certification as a scholar or, if there is no remaining senior with the same grade point average, one or more of the remaining seniors with the next highest grade point average, but not less than 3.800 or the equivalent, for certification as a scholar, and the school board of the school district operating the high school or the governing body of the private or tribal high school shall certify to the board one or more of these seniors as eligible for a higher education scholarship as a scholar under sub. (2) (a) or (3) (a) until the scholarship may be awarded by the board.

(f) If 2 or more seniors from the school operated by the Wisconsin Center for the Blind and Visually Impaired have the same grade point average and, except for the limitation of one designated senior, are otherwise eligible for designation under par. (c) 1., the executive secretary shall make the designation under par. (c) 1. of the senior who may be eligible for a higher education scholarship as a scholar. If that senior does not qualify for a higher education scholarship under sub. (2) (a) or (3) (a), the executive secretary shall designate, in order of priority, one or more of the remaining seniors with the same grade point average, or, if there is no remaining senior with the same grade point average, one or more of the remaining seniors with the next highest grade point average, but not less than 3.800 or the equivalent, as eligible for a higher education scholarship as a scholar under sub. (2) (a) or (3) (a) until the scholarship may be awarded by the board.

(fm) If 2 or more seniors from the school operated by the Wisconsin Educational Services Program for the Deaf and Hard of Hearing have the same grade point average and, except for the limitation of one designated senior, are otherwise eligible for designation under par. (c) 2., the executive secretary shall make the designation under par. (c) 2. of the senior who may be eligible for a higher education scholarship as a scholar. If that senior does not qualify for a higher education scholarship under sub. (2) (a) or (3) (a), the executive secretary shall designate, in order of priority, one or more of the remaining seniors with the same grade point average, or, if there is no remaining senior with the same grade point average, one or more of the remaining seniors with the next highest grade point average, but not less than

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3.800 or the equivalent, as eligible for a higher education scholarship as a scholar under sub. (2) (a) or (3) (a) until the scholarship may be awarded by the board.

- (g) Notwithstanding par. (a), if a high school of at least 80 pupils closes or merges in the 1991-92 school year or in any school year thereafter, the school board of the school district operating the high school or the governing body of the private or tribal high school shall, subject to par. (d), for each of the 2 school years following the closure or merger, designate the same number of scholars from among the pupils enrolled in the high school at the time of closure or merger as the number of scholars designated for that high school in the school year the high school closed or merged. Any seniors designated under this paragraph shall be eligible for an original scholarship under this section.
- (h) Notwithstanding par. (a), if a public high school of at least 80 pupils closed following the 1989-90 school year and a pupil from the closed high school was designated a scholar under this section for either of the 2 school years following the closure by the school board of a school district operating a high school that enrolled pupils from the closed high school, such school board shall designate the senior with the next highest grade point average for that school year as a scholar. Any scholar designated under this paragraph shall be eligible for a higher education scholarship under sub. (2) (b) or (3) (b) as determined under par. (a), notwithstanding that the scholar did not receive a higher education scholarship for the academic year immediately following the school year in which the pupil from the closed high school was designated a scholar under this section.
- (i) Notwithstanding par. (d), if the school board of a school district operating a high school or the governing body of a private high school has complied with s. 39.41 (1m) (d), 1991 stats., for the 1993-94 school year and a senior from that high school designated as a scholar under s. 39.41 (1m) (a), 1991 stats., and s. 39.41 (1m) (d), 1991 stats., does not qualify for a higher education scholarship under sub. (2) (a) or (3) (a), the faculty of the high school shall select one or more of the remaining seniors with the same grade point average for certification as a scholar. The school board of the school district operating the high school or the governing body of the private high school shall certify to the board one or more of these seniors as eligible for a higher education scholarship as a scholar under sub. (2) (a) or (3) (a) until the scholarship may be awarded by the board.
- (j) ~~In the event that~~ 2 or more seniors from the same high school of at least 80 pupils have the same grade point average and are otherwise eligible for designation under par. (a), the school board of the school district operating the high school or the governing body of the private or tribal high school shall make the designation of the faculty of the high school for purposes of par. (d) or (i).
- (m) Notwithstanding pars. (a), (b) and (d), if a high school ranks its seniors on the basis of grades in academic subjects, the school board of the school district operating the high school or the governing body of the private high school or, for purposes of par. (d), the faculty of the high school may request a waiver from the executive secretary in order to fulfill its requirements under par. (a), (b) or (d) on the basis of grade point averages in academic subjects.

(2)

- (a) If a designated scholar under sub. (1m) is admitted to and enrolls, on a full-time basis, by September 30 of the academic year immediately following the school year in which the senior was designated a scholar, in an institution within the University of Wisconsin System or in a technical college district school that is participating in the program under this section, the scholar shall receive a higher education scholarship that exempts the scholar from ^{50 percent of} all tuition and fees, including segregated fees, at the institution or district school for one year, ~~except that the maximum scholarship for a scholar who receives an original scholarship for the 1996-97 academic year or for any academic year thereafter may not exceed \$2,250 per academic year.~~
- (b) For each year that a scholar who receives a scholarship under par. (a) is enrolled full time, maintains at least a 3.000 grade point average, or the equivalent as determined by the institution or district school, and makes satisfactory progress toward an associate degree, a bachelor's degree, or a vocational diploma, the ~~student~~ scholar shall be exempt from all tuition and fees, including segregated fees, in the subsequent year or, if

Scholar

50% of

the scholar does not enroll in a participating institution of higher education in the subsequent year, in the 2nd year following the year in which the scholar received the scholarship, ~~except that the maximum scholarship for a scholar who receives an original scholarship for the 1996-97 academic year or for any academic year thereafter may not exceed \$2,250 per academic year.~~ No scholar is eligible for an exemption for more than 4 years in the University of Wisconsin System or more than 3 years at a district school.

(c) Subject to sub. (4), for each year ~~the student~~ ^{that a scholar} is exempt from tuition and fees under par. (a) or (b), the board shall pay the institution or district school, on behalf of the ~~student~~ ^{scholar}, an amount equal to ~~50%~~ ^{25 percent} of the ~~student's~~ ^{Scholar's} tuition and fees, ~~except that the maximum payment for a student who receives an original scholarship for the 1996-97 academic year or for any academic year thereafter may not exceed \$1,125 per academic year.~~

(3)

(a) If a designated scholar under sub. (1m) is admitted to and enrolls, on a full-time basis, by September 30 of the academic year immediately following the school year in which the senior was designated a scholar, in a private institution of higher education that is located in this state and participating in the program under this section, the board shall pay the institution, on behalf of the ~~pupil~~ ^{scholar}, an amount equal to ~~50%~~ ^{25 percent} of the tuition and fees charged a resident undergraduate at the University of Wisconsin-Madison in the same academic year, ~~except that the maximum payment for a pupil who receives an original scholarship for the 1996-97 academic year or for any academic year thereafter may not exceed \$1,125 per academic year.~~

(b) For each year that a scholar who receives a scholarship under par. (a) is enrolled full time, maintains at least a 3.000 grade point average, or the equivalent as determined by the private institution, and makes satisfactory progress toward a bachelor's degree, the student is eligible for a higher education scholarship as determined under par. (a) in the subsequent year or, if the scholar does not enroll in a participating institution of higher education in the subsequent year, in the 2nd year following the year in which the scholar received the scholarship. No scholar is eligible for a higher education scholarship for more than 4 years at a private institution of higher education.

(4)

(a) The board shall make the payments under subs. (2) (c) and (3) only if the institution, district school or private institution matches the amount of the payment from institutional funds, gifts or grants. Beginning in the 1992-93 school year, the matching requirement under this paragraph for the institutions within the University of Wisconsin System shall be satisfied by payments of an amount equal to the total payments from the institutions made under this paragraph in the 1991-92 school year and, if such payments are insufficient to satisfy the matching requirement, by the waiver of academic fees established under s. 36.27.

(b) The board shall make the payments under subs. (2) (c) and (3) from the appropriation under s. 20.235 (1) (fy).

(5)

(a) *need to add the ability to be included?*

1. Each institution within the University of Wisconsin System, technical college district school and private institution of higher education that wishes to participate in the scholarship program under this section in academic year 1999-2000 and thereafter shall notify the board by October 1, 1998, that the institution wishes to participate.

2. If an institution of higher education that has notified the board under subd. 1. subsequently wishes to no longer participate in the scholarship program under this section, the institution of higher education shall notify the board of this fact in writing by October 1 prior to the academic year in which the institution will no longer participate.

(b) Each designated scholar who is eligible for an original higher education scholarship under sub. (2) (a) or (3) (a) shall notify the board as soon as practicable of the institution of higher education he or she will be attending in the next academic year. Each designated scholar who is eligible for a subsequent higher

education scholarship under sub. (2) (a) or (3) (a) shall notify the board as soon as practicable whether he or she will be enrolling in a participating institution of higher education in the academic year immediately following the academic year in which he or she received an original or subsequent scholarship under sub. (2) (a) or (3) (a), or in the 2nd academic year, following that academic year and of the institution of higher education in which he or she will be enrolling.

(c) Annually, the board shall notify each scholar who will be attending a participating institution of higher education in the next academic year of the amount of his or her higher education scholarship.

(6)

(a) Except as provided in par. (b), a scholarship under this section shall not be used to replace any other grant for which a student is eligible.

(b) A student who receives a scholarship under this section is not eligible to receive a scholarship under s. 39.415.

(7) By August 1, 1997, and annually thereafter, the board shall submit a report to the joint committee on finance evaluating the success of the program under this section. The report shall specify the number and amount of the scholarships awarded in the current fiscal year and the institutions of higher education chosen by the scholarship recipients.

(8) The executive secretary shall promulgate rules establishing criteria for the designation of scholars under sub. (1m) (c) 3.

History: 1989 a. 31; 1991 a. 39, 269, 315; 1993 a. 16, 399, 457; 1995 a. 27; 1997 a. 27, 109, 237; 1999 a. 9; 2001 a. 57; 2005 a. 267; 2009 a. 302, 306; 2011 a. 260; 2013 a. 60, 237.

Cross-reference: See also chs. HEA 9, Wis. adm. code.



State of Wisconsin
2015 - 2016 LEGISLATURE

50142/p1
LRB-2281/1
ARG&MES:wlj
take

Senate Substitute Amendment,
To **2015 SENATE BILL 228**

WANTED
Thurs.
10/22

August 11, 2015 - Introduced by Senators STROEBEL, MILLER and WANGGAARD, cosponsored by Representatives KNOBL, KREMER, KITCHENS, GANNON, MURTHA and R. BROOKS. Referred to Committee on Universities and Technical Colleges.

1 **AN ACT to repeal** 39.41 (1m) (a) 2., 39.41 (1m) (a) 3., 39.41 (1m) (a) 4., 39.41 (1m)
2 (a) 6., 39.41 (1m) (h) and 39.41 (1m) (i); **to renumber and amend** 39.41 (1m)
3 (d) and 39.41 (1m) (e); **to amend** 39.41 (1m) (a) 1., 39.41 (1m) (a) 5., 39.41 (1m)
4 (b), 39.41 (1m) (c) 3., 39.41 (1m) (c) 4., 39.41 (1m) (g), 39.41 (1m) (j), 39.41 (2) (a),
5 39.41 (2) (b), 39.41 (2) (c), 39.41 (3) (a) and 39.41 (3) (b); and **to create** 39.41
6 (3m), 71.07 (5p) and 71.10 (4) (cs) of the statutes; **relating to:** the amount of
7 ~~an~~ academic excellence higher education scholarship, ~~the number of those~~
8 scholarships that may be awarded in an academic year, the eligibility criteria
9 for those scholarships, and creating an individual income tax credit for certain
10 academic scholarship recipients.

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Analysis by the Legislative Reference Bureau

Under current law, the Higher Educational Aids Board (HEAB) administers the Academic Excellence Higher Education Scholarship Program under which HEAB awards scholarships to certain scholars, designated on the basis of grade point average (GPA), who enroll, on a full-time basis, in a public or private institution of higher education in this state. Under the program, an academic

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ANAL - A

SENATE BILL 228

excellence higher education scholarship recipient is exempt from up to \$2,250 in tuition and fees for each academic year that the recipient is enrolled full time, maintains at least a 3.000 GPA, and makes satisfactory progress toward an associate or a bachelor's degree or a vocational diploma.

Currently, the scholarships may be awarded to 1) the senior with the highest GPA from each high school in this state enrolling at least 80 but fewer than 500 pupils; 2) the two seniors with the two highest GPAs from each high school in this state enrolling at least 500 but fewer than 1,000 pupils; 3) the three seniors with the three highest GPAs from each high school in this state enrolling at least 1,000 but fewer than 1,500 pupils; 4) the four seniors with the four highest GPAs from each high school in this state enrolling at least 1,500 but fewer than 2,000 pupils; 5) the five seniors with the five highest GPAs from each high school in this state enrolling at least 2,000 but fewer than 2,500 pupils; and 6) the six seniors with the six highest GPAs from each high school in this state enrolling 2,500 or more pupils. In addition, the scholarships may be awarded to the senior with the highest GPA from the school operated by the Wisconsin Center for the Blind and Visually Impaired (WCBVI) and the school operated by the Wisconsin Educational Services Program for the Deaf and Hard of Hearing (WESPDHH), and not more than ten scholarships statewide may be awarded to seniors with the highest GPAs from high schools enrolling fewer than 80 pupils.

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This bill increases the amount of an academic excellence higher education scholarship for a scholarship recipient attending a public institution of higher education to 50 percent of the tuition and fees at that institution and increases the amount of such a scholarship for a scholarship recipient attending a private institution of higher education to 50 percent of the tuition and fees charged a resident undergraduate student at the University of Wisconsin-Madison.

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The bill also creates a nonrefundable individual income tax credit for a scholarship recipient who graduates from an institution within the University of Wisconsin System, a technical college district school, or a private institution of higher education with a bachelor's degree, an associate degree, or vocational diploma and who resides and works in this state.

The amount for which an individual may claim a credit, which is defined as an "eligible amount," is an amount equal to 50 percent of all tuition and fees charged one full-time student by the institution or school attended by the scholarship recipient for the years in which the scholarship recipient received an academic excellence higher education scholarship or, in the case of a scholarship recipient who attended a private institution of higher education, an amount equal to 50 percent of the tuition and fees charged one full-time resident undergraduate student at the University of Wisconsin-Madison for the years in which the scholarship recipient received an academic excellence higher education scholarship.

The credit may be claimed only for the five taxable years following the claimant's graduation, and the claimant may claim only one-fifth of the eligible amount each year. To claim the credit, a claimant must be a full-year resident of this state for the year to which the claim relates, and the majority of the wages earned

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SENATE BILL 228

by the claimant in the year to which the claim relates must have been earned in this state.

Because the credit is nonrefundable, no refund is paid if the amount of credit for which a claimant is eligible exceeds his or her tax liability.

In addition, the bill reduces the number of academic excellence higher education scholarships that may be awarded in an academic year to one scholarship for each high school with an enrollment of at least 300 pupils but fewer than 1,500 pupils, to two scholarships for each high school with an enrollment of 1,500 or more pupils, and to not more than 70 scholarships statewide for high schools with enrollments of fewer than 300 pupils. The bill, however, does not affect the scholarships for schools operated by the WCBVI or the WESPDHH.

Finally, the bill requires a pupil to have a GPA of at least 3.500 and a score of at least 30 on the American College Test (commonly referred to as the ACT) in order to qualify for an academic excellence higher education scholarship. The bill, however, does not apply the GPA and ACT score requirements to a pupil of a school operated by the WCBVI or the WESPDHH.

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

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

SECTION 1. 39.41 (1m) (a) 1. of the statutes ^{to 6.} ~~is~~ ^{are} amended to read:

39.41 (1m) (a) 1. For each high school with an enrollment of at least ~~80~~ ~~300~~ pupils but less ~~fewer~~ than ~~500~~ ~~1,500~~ pupils, designate the senior with the highest grade point average in all subjects, ~~but not less than 3.500 or the equivalent, and with a score of at least 30 on the American college test as a scholar.~~ ²⁸ ~~If the senior with the highest grade point average in all subjects does not have a score of at least 30 on the American college test,~~ ²⁸ the school board or governing body shall designate the senior with the next highest grade point average in all subjects, but not less than 3.500 or the equivalent, and with a score of at least ~~30~~ ²⁸ on the American college test as a scholar.

SECTION 2. 39.41 (1m) (a) 2. of the statutes is repealed.

SECTION 3. 39.41 (1m) (a) 3. of the statutes is repealed.

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SENATE BILL 228

SECTION 4

SECTION 4. 39.41 (1m) (a) 4. of the statutes is repealed.

SECTION 5. 39.41 (1m) (a) 5. of the statutes is amended to read:

39.41 (1m) (a) 5. For each high school with an enrollment of ~~2,000~~ 1,500 or more pupils, designate the ~~5-2~~ seniors with the ~~5-2~~ highest grade point averages in all subjects, but not less than 3.500 or the equivalent, and with scores of at least 30 on the American college test as scholars. If any of the seniors with the highest grade point average in all subjects does not have a score of at least 30 on the American college test, the school board or governing body shall designate the senior with the next highest grade point average in all subjects, but not less than 3.500 or the equivalent, and with a score of at least 30 on the American college test as a scholar.

SECTION 6. 39.41 (1m) (a) 6. of the statutes is repealed.

SECTION 7. 39.41 (1m) (b) of the statutes is amended to read:

39.41 (1m) (b) Subject to par. (e), by February 25 of each school year, the school board of each school district operating one or more high schools and the governing body of each private high school and of each tribal high school may, for each high school with an enrollment of less ~~fewer~~ than ~~80~~ ~~300~~ pupils, nominate the senior with the highest grade point average in all subjects, but not less than 3.500 or the equivalent, and with a score of ^{at least 28} ~~not less than 30~~ on the American college test who may be designated as a scholar by the executive secretary under par. (c) 3. If the senior with the highest grade point average in all subjects does not have a score of at least ²⁸ ~~30~~ on the American college test, the school board or governing body shall nominate the senior with the next highest grade point average in all subjects, but not less than 3.500 or the equivalent, and with a score of at least ²⁸ ~~30~~ on the American college test for designation as a scholar.

SECTION 8. 39.41 (1m) (c) 3. of the statutes is amended to read:

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SENATE BILL 228

1 39.41 (1m) (c) 3. Designate not more than ~~40~~ 70 seniors nominated under par.
2 (b) as scholars.

3 SECTION 9. 39.41 (1m) (c) 4. of the statutes is amended to read:

4 39.41 (1m) (c) 4. For each public, private, or tribal high school with an
5 enrollment of at least ~~80~~ 300 pupils, notify the school board of the school district
6 operating the public high school or the governing body of the private or tribal high
7 school of the number of scholars to be designated under par. (a).

8 SECTION 10. 39.41 (1m) (d) of the statutes is renumbered 39.41 (1m) (d) 1. and
9 amended to read:

10 39.41 (1m) (d) 1. By February 25 of each school year, if 2 or more seniors from
11 the same high school of at least ~~30~~ 300 pupils have the same grade point average and,
12 except for the limitation on the number of designated scholars, are otherwise eligible
13 for designation under par. (a), the faculty of the high school shall select the applicable
14 number of seniors for designation under par. (a) as scholars and shall certify, in order
15 of priority, any remaining seniors with the same grade point average and with scores
16 of at least ~~30~~ ²⁸ on the American college test as alternates for the scholars or, if there
17 is no remaining senior with the same grade point average and with a score of at least
18 ~~30~~ ²⁸ on the American college test, any remaining seniors with the next highest grade
19 point average, but not less than ~~3.800~~ 3.500 or the equivalent, and with scores of at
20 least ~~30~~ ²⁸ on the American college test as alternates for the scholars.

21 2. If a senior ~~from that high school~~ designated as a scholar under par. (a) does
22 not qualify for a higher education scholarship under sub. (2) (a) or (3) (a), an alternate
23 ~~for the scholar from the scholar's high school~~ with the same grade point average as
24 any senior from that high school designated as a scholar under par. (a) and with a
25 score of at least ~~30~~ ²⁸ on the American college test shall be eligible for a higher education

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SENATE BILL 228

SECTION 10

1 scholarship as a scholar under sub. (2) (a) or (3) (a) until the scholarship may be
 2 awarded by the board. If an alternate with the same grade point average as a scholar
 3 under par. (a) and with a score of at least ²⁸30 on the American college test does not
 4 qualify for a higher education scholarship under sub. (2) (a) or (3) (a), an alternate
 5 with the next highest grade point average, but not less than ~~3.800~~ 3.500 or the
 6 equivalent, and with a score of at least ²⁸30 on the American college test shall be
 7 eligible for a higher education scholarship as a scholar under sub. (2) (a) or (3) (a)
 8 until the scholarship may be awarded by the board.

9 SECTION 11. 39.41 (1m) (e) of the statutes is renumbered 39.41 (1m) (e) 1. and
 10 amended to read:

11 39.41 (1m) (e) 1. If 2 or more seniors from the same high school of less fewer
 12 than ~~80~~ 300 pupils have the same grade point average and, except for the limitation
 13 of one nominated senior, are otherwise eligible for nomination under par. (b), the
 14 faculty of the high school shall select the senior who may be nominated by the school
 15 board of the school district operating the public high school or the governing body of
 16 the private or tribal high school for designation under par. ~~(b)~~ (c) 4, as a scholar by
 17 the executive secretary.

18 2. If ~~that a~~ senior ~~is~~ designated as a scholar by the executive secretary, but
 19 under par. (c) 4, does not qualify for a higher education scholarship under sub. (2) (a)
 20 or (3) (a), the faculty of the high school shall select, in order of priority, one or more
 21 of the remaining seniors with the same grade point average and with a score of at
 22 least ²⁸30 on the American college test for certification as a scholar or, if there is no
 23 remaining senior with the same grade point average and with a score of at least ²⁸30
 24 on the American college test, one or more of the remaining seniors with the next
 25 highest grade point average, but not less than ~~3.800~~ 3.500 or the equivalent, and with

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SENATE BILL 228

28

1 a score of at least 30 on the American college test for certification as a scholar, and
 2 the school board of the school district operating the high school or the governing body
 3 of the private or tribal high school shall certify to the board one or more of these
 4 seniors as eligible for a higher education scholarship as a scholar under sub. (2) (a)
 5 or (3) (a) until the scholarship may be awarded by the board.

6 **SECTION 12.** 39.41 (1m) (g) of the statutes is amended to read:
 7 39.41 (1m) (g) Notwithstanding par. (a), if a high school of at least 80 300 pupils
 8 closes or merges in the 1991-92 school year or in any school year thereafter, the
 9 school board of the school district operating the high school or the governing body of
 10 the private or tribal high school shall, subject to par. (d), for each of the 2 school years
 11 following the closure or merger, designate the same number of scholars from among
 12 the pupils enrolled in the high school at the time of closure or merger as the number
 13 of scholars designated for that high school in the school year the high school closed
 14 or merged. Any seniors designated under this paragraph shall be eligible for an
 15 original scholarship under this section.

16 **SECTION 13.** 39.41 (1m) (h) of the statutes is repealed.

17 **SECTION 14.** 39.41 (1m) (i) of the statutes is repealed.

18 **SECTION 15.** 39.41 (1m) (j) of the statutes is amended to read:

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19 39.41 (1m) (j) ~~In the event that~~ If 2 or more seniors from the same high school
 20 of at least 80 ~~300~~ pupils have the same grade point average and are otherwise eligible
 21 for designation under par. (a), the school board of the school district operating the
 22 high school or the governing body of the private or tribal high school shall make the
 23 designation of the faculty of the high school for purposes of par. (d) ~~or (i)~~.

24 **SECTION 16.** 39.41 (2) (a) of the statutes is amended to read:

SENATE BILL 228**SECTION 16**

1 39.41 (2) (a) If a designated scholar under sub. (1m) is admitted to and enrolls,
2 on a full-time basis, by September 30 of the academic year immediately following the
3 school year in which the senior was designated a scholar, in an institution within the
4 University of Wisconsin System or in a technical college district school that is
5 participating in the program under this section, the scholar shall receive a higher
6 education scholarship that exempts the scholar from 50 percent of all tuition and
7 fees, including segregated fees, at the institution or district school for one year,
8 ~~except that the maximum scholarship for a scholar who receives an original~~
9 ~~scholarship for the 1996-97 academic year or for any academic year thereafter may~~
10 ~~not exceed \$2,250 per academic year.~~

11 **SECTION 17.** 39.41 (2) (b) of the statutes is amended to read:

12 39.41 (2) (b) For each year that a scholar who receives a scholarship under par.
13 (a) is enrolled full time, maintains at least a 3.000 grade point average, or the
14 equivalent as determined by the institution or district school, and makes satisfactory
15 progress toward an associate degree, a bachelor's degree, or a vocational diploma, the
16 ~~student~~ scholar shall be exempt from 50 percent of all tuition and fees, including
17 segregated fees, in the subsequent year or, if the scholar does not enroll in a
18 participating institution of higher education in the subsequent year, in the 2nd year
19 following the year in which the scholar received the scholarship, ~~except that the~~
20 ~~maximum scholarship for a scholar who receives an original scholarship for the~~
21 ~~1996-97 academic year or for any academic year thereafter may not exceed \$2,250~~
22 ~~per academic year.~~ No scholar is eligible for an exemption for more than 4 years in
23 the University of Wisconsin System or more than 3 years at a district school.

24 **SECTION 18.** 39.41 (2) (c) of the statutes is amended to read:

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1 39.41 (2) (c) Subject to sub. (4), for each year ~~the student~~ that a scholar is
2 exempt from tuition and fees under par. (a) or (b), the board shall pay the institution
3 or district school, on behalf of the ~~student~~ scholar, an amount equal to ~~50%~~ 25 percent
4 of the student's scholar's tuition and fees, ~~except that the maximum payment for a~~
5 ~~student who receives an original scholarship for the 1996-97 academic year or for~~
6 ~~any academic year thereafter may not exceed \$1,125 per academic year.~~

7 **SECTION 19.** 39.41 (3) (a) of the statutes is amended to read:

8 39.41 (3) (a) If a designated scholar under sub. (1m) is admitted to and enrolls,
9 on a full-time basis, by September 30 of the academic year immediately following the
10 school year in which the senior was designated a scholar, in a private institution of
11 higher education that is located in this state and participating in the program under
12 this section, the board shall pay the institution, on behalf of the ~~pupil~~ scholar, an
13 amount equal to ~~50%~~ 25 percent of the tuition and fees charged a resident
14 undergraduate at the University of Wisconsin-Madison in the same academic year,
15 ~~except that the maximum payment for a pupil who receives an original scholarship~~
16 ~~for the 1996-97 academic year or for any academic year thereafter may not exceed~~
17 ~~\$1,125 per academic year.~~

18 **SECTION 20.** 39.41 (3) (b) of the statutes is amended to read:

19 39.41 (3) (b) For each year that a scholar who receives a scholarship under par.
20 (a) is enrolled full time, maintains at least a 3.000 grade point average, or the
21 equivalent as determined by the private institution, and makes satisfactory progress
22 toward a bachelor's degree, the ~~student~~ scholar is eligible for a higher education
23 scholarship as determined under par. (a) in the subsequent year or, if the scholar does
24 not enroll in a participating institution of higher education in the subsequent year,
25 in the 2nd year following the year in which the scholar received the scholarship. No

SENATE BILL 228**SECTION 20**

1 scholar is eligible for a higher education scholarship for more than 4 years at a
2 private institution of higher education.

3 **SECTION 21.** 39.41 (3m) of the statutes is created to read:

4 39.41 (3m) (a) In addition to receiving a scholarship under sub. (2), if the
5 scholar graduates from an institution within the University of Wisconsin System or
6 a technical college district school with a bachelor's degree, an associate degree, or a
7 vocational diploma, the scholar may claim the credit under s. 71.07 (5p).

8 (b) In addition to receiving a scholarship under sub. (3), if the scholar graduates
9 from a private institution of higher education located in this state with a bachelor's
10 degree, an associate degree, or a vocational diploma, the scholar may claim the credit
11 under s. 71.07 (5p).

12 **SECTION 22.** 71.07 (5p) of the statutes is created to read:

13 71.07 (5p) ACADEMIC SCHOLARSHIP TAX CREDIT. (a) *Definitions.* In this
14 subsection:

15 1. "Claimant" means an individual who files a claim under this subsection, who
16 has received a scholarship under s. 39.41 (2) or (3), and who has graduated from the
17 institution or school with regard to which he or she received the scholarship, as
18 described in s. 39.41 (3m) (a) or (b).

19 2. "Eligible amount" means 50 percent of all tuition and fees, including
20 segregated fees, that would have been charged to a single full-time student by the
21 institution or school attended by an individual who received a higher education
22 scholarship under s. 39.41 (2) for the years in which the individual received the
23 scholarship under that subsection, or 50 percent of all tuition and fees charged a
24 single full-time resident undergraduate at the University of Wisconsin-Madison for
25 the years in which an individual who received a scholarship under s. 39.41 (3)

insert
10-11

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1 attended a private institution of higher education located in this state for the years
2 in which the individual received the scholarship under that subsection.

3 (b) *Filing claims.* Subject to the conditions and limitations provided in this
4 subsection, a claimant may claim as a credit against the tax imposed under s. 71.02,
5 up to the amount of those taxes, one-fifth of an eligible amount in the taxable year
6 that immediately follows the year in which the individual graduates, as described in
7 s. 39.41 (3m) (a) or (b), and an additional one-fifth of an eligible amount in each of
8 the next 4 successive taxable years.

9 (c) *Conditions and limitations.* 1. No individual may file a claim under this
10 subsection unless he or she submits to the department with his or her tax return, on
11 a form prepared by the department, information regarding the calculation of that
12 individual's eligible amount.

13 2. No individual may file a claim under this subsection unless he or she was a
14 full-year resident of this state in the year to which the claim relates, and the majority
15 of the wages he or she earned during the year to which the claim relates were earned
16 in this state.

17 3. No credit may be allowed under this subsection unless it is claimed within
18 the period specified under s. 71.75 (2).

19 4. No individual may file a claim under this subsection for any taxable year
20 other than the taxable year that begins immediately after the taxable year in which
21 the claimant graduates from the institution or school with regard to which he or she
22 received the scholarship, as described in s. 39.41 (3m) (a) or (b), and the next 4
23 successive taxable years.

24 (d) *Administration.* Subsection (5m) (d), as it applies to the credit under that
25 subsection, applies to the credit under this subsection.

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INSERT ANAL-A:

This substitute amendment establishes minimum eligibility criteria for, and changes the amount of, academic excellence scholarships awarded to high school seniors by the Higher Educational Aids Board (HEAB) and also creates a nonrefundable individual income tax credit for certain scholarship recipients.

3

INSERT ANAL-B:

Currently, the scholarships may be awarded to seniors with the highest GPAs in each high school having at least 80 pupils. The number of scholarships available for each high school is scaled based on the enrollment of the high school, with one scholarship available for the senior with the highest GPA in a high school having 80 pupils and six scholarships available for the six seniors with the six highest GPAs in a high school having 2,500 or more pupils. For high schools having fewer than 80 pupils, there are ten additional scholarships available statewide for seniors with the highest GPAs.

4

INSERT ANAL-C:

(no P) The substitute amendment also requires a student to have a GPA of at least 3.500 and a score of at least 28 on the American College Test (commonly referred to as the ACT) in order to qualify for an academic excellence higher education scholarship. As under current law, the amount of the scholarship is paid in equal parts by HEAB and by the institution, which must match HEAB's payment as a condition of participating in the scholarship program. The substitute amendment eliminates a provision restricting participation in the program to institutions that provided HEAB notice of their wish to participate by October 1, 1998.

5

INSERT 3-10:

6

2. For each high school with an enrollment of at least 500 pupils but less fewer than 1,000 pupils, designate the 2 seniors with the 2 highest grade point averages in all subjects, but not less than 3.500 or the equivalent, and with scores of at least 28 on the American college test as scholars. If any of the seniors with the highest grade point average in all subjects does not have a score of at least 28 on the American college test, the school board or governing body shall designate the senior with the

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1 next highest grade point average in all subjects, but not less than 3.500 or the
2 equivalent, and with a score of at least 28 on the American college test as a scholar.

3 3. For each high school with an enrollment of at least 1,000 pupils but less fewer
4 than 1,500 pupils, designate the 3 seniors with the 3 highest grade point averages
5 in all subjects, but not less than 3.500 or the equivalent, and with scores of at least
6 28 on the American college test as scholars. If any of the seniors with the highest
7 grade point average in all subjects does not have a score of at least 28 on the American
8 college test, the school board or governing body shall designate the senior with the
9 next highest grade point average in all subjects, but not less than 3.500 or the
10 equivalent, and with a score of at least 28 on the American college test as a scholar.

11 4. For each high school with an enrollment of at least 1,500 pupils but less fewer
12 than 2,000 pupils, designate the 4 seniors with the 4 highest grade point averages
13 in all subjects, but not less than 3.500 or the equivalent, and with scores of at least
14 28 on the American college test as scholars. If any of the seniors with the highest
15 grade point average in all subjects does not have a score of at least 28 on the American
16 college test, the school board or governing body shall designate the senior with the
17 next highest grade point average in all subjects, but not less than 3.500 or the
18 equivalent, and with a score of at least 28 on the American college test as a scholar.

19 5. For each high school with an enrollment of 2,000 or more pupils but fewer
20 than 2,500 pupils, designate the 5 seniors with the 5 highest grade point averages
21 in all subjects, but not less than 3.500 or the equivalent, and with scores of at least
22 28 on the American college test as scholars. If any of the seniors with the highest
23 grade point average in all subjects does not have a score of at least 28 on the American
24 college test, the school board or governing body shall designate the senior with the

1 next highest grade point average in all subjects, but not less than 3.500 or the
2 equivalent, and with a score of at least 28 on the American college test as a scholar.

3 6. For each high school with an enrollment of 2,500 or more pupils, designate
4 the 6 seniors with the 6 highest grade point averages in all subjects, but not less than
5 3.500 or the equivalent, and with scores of at least 28 on the American college test
6 as scholars. If any of the seniors with the highest grade point average in all subjects
7 does not have a score of at least 28 on the American college test, the school board or
8 governing body shall designate the senior with the next highest grade point average
9 in all subjects, but not less than 3.500 or the equivalent, and with a score of at least
10 28 on the American college test as a scholar.

11
12 **INSERT 10-11:**

13 **SECTION 1.** 39.41 (5) (a) 1. of the statutes is amended to read:

14 39.41 (5) (a) 1. Each institution within the University of Wisconsin System,
15 technical college district school and private institution of higher education that
16 wishes to participate in the scholarship program under this section in an academic
17 year ~~1999-2000 and thereafter~~ shall notify the board by October 1, ~~1998~~, of the
18 immediately preceding academic year that the institution wishes to participate. A
19 notice of intent to participate given under this subdivision continues in effect for
20 subsequent academic years, subject to any notice given under subd. 2.

21 History: 1989 a. 31; 1991 a. 39, 269, 315; 1993 a. 16, 399, 457; 1995 a. 27; 1997 a. 27, 109, 237; 1999 a. 9; 2001 a. 57; 2005 a. 267; 2009 a. 302, 306; 2011 a. 260; 2013
a. 60, 237.

Shovers, Marc

From: Gary, Aaron
Sent: Monday, December 07, 2015 3:20 PM
To: Shovers, Marc
Subject: RE: sub to SB228

Here's the email from a week or so ago

From: Gary, Aaron
Sent: Wednesday, November 25, 2015 2:47 PM
To: Shovers, Marc <Marc.Shovers@legis.wisconsin.gov>
Subject: sub to SB228

Ethan from Sen. Stroebel's office called regarding the sub. to SB228 (LRBs0142/P1). He said he was also going to call you but I told him I would also pass along the message.

He wants a /P2 that does 2 things:

1. Incorporated LRBA1001 that you drafted.
2. Changes the tax credit from 5 to 7 years.

Hopefully that makes sense.

He also asked me to work on "sample language" for something else, but that won't go into the /P2 draft (at least as of now).

Aaron

Shovers, Marc

From: Ethan Hollenberger <ethan.hollenberger@icloud.com>
Sent: Monday, December 07, 2015 3:22 PM
To: Shovers, Marc
Subject: SSA to SB228 Changes

Hi Marc,

Please extend the tax credit to seven years and input the language you drafted deferring the credit for advanced degrees.

Thank you,
Ethan