



State of Wisconsin
2015 - 2016 LEGISLATURE

LRBs0142/P1
ARG&MES:wlj&ahe

Handwritten initials and signatures

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION
SENATE SUBSTITUTE AMENDMENT ,
TO SENATE BILL 228

today, if possible

Handwritten signature

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

Analysis by the Legislative Reference Bureau

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 creates a nonrefundable individual income tax credit for certain scholarship recipients.

Under current law, 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 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 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.

This substitute amendment changes 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 changes 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 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.

The substitute amendment 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~~^{seven} taxable years following the claimant's graduation, and the claimant may claim only one ~~fifth~~^{seventh} of the eligible

In general,

An individual may delay the time when he or she is otherwise required to claim the credit if, immediately after graduation, the individual pursues 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.

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.

(an advanced degree)

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

1 **SECTION 1.** 39.41 (1m) (a) 1. to 6. of the statutes are amended to read:

2 39.41 (1m) (a) 1. For each high school with an enrollment of at least 80 pupils
3 but less fewer than 500 pupils, designate the senior with the highest grade point
4 average in all subjects, but not less than 3.500 or the equivalent, and with a score of
5 at least 28 on the American college test as a scholar. If the senior with the highest
6 grade point average in all subjects does not have a score of at least 28 on the American
7 college test, the school board or governing body shall designate the senior with the
8 next highest grade point average in all subjects, but not less than 3.500 or the
9 equivalent, and with a score of at least 28 on the American college test as a scholar.

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

18 3. For each high school with an enrollment of at least 1,000 pupils but less fewer
19 than 1,500 pupils, designate the 3 seniors with the 3 highest grade point averages
20 in all subjects, but not less than 3.500 or the equivalent, and with scores of at least

1 28 on the American college test as scholars. If any of the seniors with the highest
2 grade point average in all subjects does not have a score of at least 28 on the American
3 college test, the school board or governing body shall designate the senior with the
4 next highest grade point average in all subjects, but not less than 3.500 or the
5 equivalent, and with a score of at least 28 on the American college test as a scholar.

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

14 5. For each high school with an enrollment of 2,000 ~~or more~~ pupils but fewer
15 than 2,500 pupils, designate the 5 seniors with the 5 highest grade point averages
16 in all subjects, but not less than 3.500 or the equivalent, and with scores of at least
17 28 on the American college test as scholars. If any of the seniors with the highest
18 grade point average in all subjects does not have a score of at least 28 on the American
19 college test, the school board or governing body shall designate the senior with the
20 next highest grade point average in all subjects, but not less than 3.500 or the
21 equivalent, and with a score of at least 28 on the American college test as a scholar.

22 6. For each high school with an enrollment of 2,500 or more pupils, designate
23 the 6 seniors with the 6 highest grade point averages in all subjects, but not less than
24 3.500 or the equivalent, and with scores of at least 28 on the American college test
25 as scholars. If any of the seniors with the highest grade point average in all subjects

1 does not have a score of at least 28 on the American college test, the school board or
2 governing body shall designate the senior with the next highest grade point average
3 in all subjects, but not less than 3.500 or the equivalent, and with a score of at least
4 28 on the American college test as a scholar.

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

6 39.41 (1m) (b) Subject to par. (e), by February 25 of each school year, the school
7 board of each school district operating one or more high schools and the governing
8 body of each private high school and of each tribal high school may, for each high
9 school with an enrollment of ~~less~~ fewer than 80 pupils, nominate the senior with the
10 highest grade point average in all subjects, but not less than 3.500 or the equivalent,
11 and with a score of at least 28 on the American college test who may be designated
12 as a scholar by the executive secretary under par. (c) 3. If the senior with the highest
13 grade point average in all subjects does not have a score of at least 28 on the American
14 college test, the school board or governing body shall nominate the senior with the
15 next highest grade point average in all subjects, but not less than 3.500 or the
16 equivalent, and with a score of at least 28 on the American college test for designation
17 as a scholar.

18 **SECTION 3.** 39.41 (1m) (d) of the statutes is renumbered 39.41 (1m) (d) 1. and
19 amended to read:

20 39.41 (1m) (d) 1. By February 25 of each school year, if 2 or more seniors from
21 the same high school of at least 80 pupils have the same grade point average and,
22 except for the limitation on the number of designated scholars, are otherwise eligible
23 for designation under par. (a), the faculty of the high school shall select the applicable
24 number of seniors for designation under par. (a) as scholars and shall certify, in order
25 of priority, any remaining seniors with the same grade point average and with scores

1 of at least 28 on the American college test as alternates for the scholars or, if there
2 is no remaining senior with the same grade point average and with a score of at least
3 28 on the American college test, any remaining seniors with the next highest grade
4 point average, but not less than ~~3.800~~ 3.500 or the equivalent, and with scores of at
5 least 28 on the American college test as alternates for the scholars.

6 2. If a senior ~~from that high school~~ designated as a scholar under par. (a) does
7 not qualify for a higher education scholarship under sub. (2) (a) or (3) (a), an alternate
8 ~~for the scholar~~ from the scholar's high school with the same grade point average as
9 any senior from that high school designated as a scholar under par. (a) and with a
10 score of at least 28 on the American college test shall be eligible for a higher education
11 scholarship as a scholar under sub. (2) (a) or (3) (a) until the scholarship may be
12 awarded by the board. If an alternate with the same grade point average as a scholar
13 under par. (a) and with a score of at least 28 on the American college test does not
14 qualify for a higher education scholarship under sub. (2) (a) or (3) (a), an alternate
15 with the next highest grade point average, but not less than ~~3.800~~ 3.500 or the
16 equivalent, and with a score of at least 28 on the American college test shall be
17 eligible for a higher education scholarship as a scholar under sub. (2) (a) or (3) (a)
18 until the scholarship may be awarded by the board.

19 **SECTION 4.** 39.41 (1m) (e) of the statutes is amended to read:

20 39.41 (1m) (e) If 2 or more seniors from the same high school of ~~less~~ fewer than
21 80 pupils have the same grade point average and, except for the limitation of one
22 nominated senior, are otherwise eligible for nomination under par. (b), the faculty of
23 the high school shall select the senior who may be nominated by the school board of
24 the school district operating the public high school or the governing body of the
25 private or tribal high school for designation under par. (b) as a scholar by the

1 executive secretary. If that senior is designated as a scholar by the executive
2 secretary, but does not qualify for a higher education scholarship under sub. (2) (a)
3 or (3) (a), the faculty of the high school shall select, in order of priority, one or more
4 of the remaining seniors with the same grade point average and with a score of at
5 least 28 on the American college test for certification as a scholar or, if there is no
6 remaining senior with the same grade point average and with a score of at least 28
7 on the American college test, one or more of the remaining seniors with the next
8 highest grade point average, but not less than ~~3.800~~ 3.500 or the equivalent, and with
9 a score of at least 28 on the American college test for certification as a scholar, and
10 the school board of the school district operating the high school or the governing body
11 of the private or tribal high school shall certify to the board one or more of these
12 seniors as eligible for a higher education scholarship as a scholar under sub. (2) (a)
13 or (3) (a) until the scholarship may be awarded by the board.

14 **SECTION 5.** 39.41 (1m) (h) of the statutes is repealed.

15 **SECTION 6.** 39.41 (1m) (i) of the statutes is repealed.

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

17 39.41 (1m) (j) ~~In the event that~~ If 2 or more seniors from the same high school
18 of at least 80 pupils have the same grade point average and are otherwise eligible for
19 designation under par. (a), the school board of the school district operating the high
20 school or the governing body of the private or tribal high school shall make the
21 designation of the faculty of the high school for purposes of par. (d) ~~or (i)~~.

22 **SECTION 8.** 39.41 (2) (a) of the statutes is amended to read:

23 39.41 (2) (a) If a designated scholar under sub. (1m) is admitted to and enrolls,
24 on a full-time basis, by September 30 of the academic year immediately following the
25 school year in which the senior was designated a scholar, in an institution within the

1 University of Wisconsin System or in a technical college district school that is
2 participating in the program under this section, the scholar shall receive a higher
3 education scholarship that exempts the scholar from 50 percent of all tuition and
4 fees, including segregated fees, at the institution or district school for one year,
5 ~~except that the maximum scholarship for a scholar who receives an original~~
6 ~~scholarship for the 1996-97 academic year or for any academic year thereafter may~~
7 ~~not exceed \$2,250 per academic year.~~

8 **SECTION 9.** 39.41 (2) (b) of the statutes is amended to read:

9 39.41 (2) (b) For each year that a scholar who receives a scholarship under par.
10 (a) is enrolled full time, maintains at least a 3.000 grade point average, or the
11 equivalent as determined by the institution or district school, and makes satisfactory
12 progress toward an associate degree, a bachelor's degree, or a vocational diploma, the
13 student scholar shall be exempt from 50 percent of all tuition and fees, including
14 segregated fees, in the subsequent year or, if the scholar does not enroll in a
15 participating institution of higher education in the subsequent year, in the 2nd year
16 following the year in which the scholar received the scholarship, ~~except that the~~
17 ~~maximum scholarship for a scholar who receives an original scholarship for the~~
18 ~~1996-97 academic year or for any academic year thereafter may not exceed \$2,250~~
19 ~~per academic year.~~ No scholar is eligible for an exemption for more than 4 years in
20 the University of Wisconsin System or more than 3 years at a district school.

21 **SECTION 10.** 39.41 (2) (c) of the statutes is amended to read:

22 39.41 (2) (c) Subject to sub. (4), for each year ~~the student~~ that a scholar is
23 exempt from tuition and fees under par. (a) or (b), the board shall pay the institution
24 or district school, on behalf of the ~~student~~ scholar, an amount equal to ~~50%~~ 25 percent
25 of the ~~student's~~ scholar's tuition and fees, ~~except that the maximum payment for a~~

1 ~~student who receives an original scholarship for the 1996–97 academic year or for~~
2 ~~any academic year thereafter may not exceed \$1,125 per academic year.~~

3 **SECTION 11.** 39.41 (3) (a) of the statutes is amended to read:

4 39.41 (3) (a) If a designated scholar under sub. (1m) is admitted to and enrolls,
5 on a full-time basis, by September 30 of the academic year immediately following the
6 school year in which the senior was designated a scholar, in a private institution of
7 higher education that is located in this state and participating in the program under
8 this section, the board shall pay the institution, on behalf of the pupil scholar, an
9 amount equal to ~~50%~~ 25 percent of the tuition and fees charged a resident
10 undergraduate at the University of Wisconsin–Madison in the same academic year,
11 ~~except that the maximum payment for a pupil who receives an original scholarship~~
12 ~~for the 1996–97 academic year or for any academic year thereafter may not exceed~~
13 ~~\$1,125 per academic year.~~

14 **SECTION 12.** 39.41 (3) (b) of the statutes is amended to read:

15 39.41 (3) (b) For each year that a scholar who receives a scholarship under par.
16 (a) is enrolled full time, maintains at least a 3.000 grade point average, or the
17 equivalent as determined by the private institution, and makes satisfactory progress
18 toward a bachelor's degree, the ~~student~~ scholar is eligible for a higher education
19 scholarship as determined under par. (a) in the subsequent year or, if the scholar does
20 not enroll in a participating institution of higher education in the subsequent year,
21 in the 2nd year following the year in which the scholar received the scholarship. No
22 scholar is eligible for a higher education scholarship for more than 4 years at a
23 private institution of higher education.

24 **SECTION 13.** 39.41 (3m) of the statutes is created to read:

1 39.41 (3m) (a) In addition to receiving a scholarship under sub. (2), if the
2 scholar graduates from an institution within the University of Wisconsin System or
3 a technical college district school with a bachelor's degree, an associate degree, or a
4 vocational diploma, the scholar may claim the credit under s. 71.07 (5p).

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

9 **SECTION 14.** 39.41 (5) (a) 1. of the statutes is amended to read:

10 39.41 (5) (a) 1. Each institution within the University of Wisconsin System,
11 technical college district school and private institution of higher education that
12 wishes to participate in the scholarship program under this section in an academic
13 year ~~1999–2000 and thereafter~~ shall notify the board by October 1, ~~1998~~, of the
14 immediately preceding academic year that the institution wishes to participate. A
15 notice of intent to participate given under this subdivision continues in effect for
16 subsequent academic years, subject to any notice given under subd. 2.

17 **SECTION 15.** 71.07 (5p) of the statutes is created to read:

18 71.07 (5p) ACADEMIC SCHOLARSHIP TAX CREDIT. (a) *Definitions.* In this
19 subsection:

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

24 2. "Eligible amount" means 50 percent of all tuition and fees, including
25 segregated fees, that would have been charged to a single full-time student by the

1 institution or school attended by an individual who received a higher education
2 scholarship under s. 39.41 (2) for the years in which the individual received the
3 scholarship under that subsection, or 50 percent of all tuition and fees charged a
4 single full-time resident undergraduate at the University of Wisconsin–Madison for
5 the years in which an individual who received a scholarship under s. 39.41 (3)
6 attended a private institution of higher education located in this state for the years
7 in which the individual received the scholarship under that subsection.

8 (b) *Filing claims.* Subject to the conditions and limitations provided in this
9 subsection, a claimant may claim as a credit against the tax imposed under s. 71.02,
10 up to the amount of those taxes, one-~~fourth~~^{seventh} of an eligible amount in the taxable year
11 that immediately follows the year in which the individual graduates, as described in
12 s. 39.41 (3m) (a) or (b), and an additional one-~~fourth~~^{seventh} of an eligible amount in each of
13 the next ~~two~~⁶ successive taxable years.

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

18 2. No individual may file a claim under this subsection unless he or she was a
19 full-year resident of this state in the year to which the claim relates.

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

22 INS
11-02 4. ~~Any~~ individual may file a claim under this subsection for any taxable year
23 other than the taxable year that begins immediately after the taxable year in which
24 the claimant graduates from the institution or school with regard to which he or she

FNS
10-2

6
4

1 received the scholarship, as described in s. 39.41 (3m) (a) or (b), and the next
2 successive taxable years.

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

5 **SECTION 16.** 71.10 (4) (cs) of the statutes is created to read:

6 71.10 (4) (cs) Academic scholarship tax credit under s. 71.07 (5p).

7 **SECTION 17. Initial applicability.**

8 (1) **ACADEMIC EXCELLENCE HIGHER EDUCATION SCHOLARSHIPS.** The treatment of
9 section 39.41 (1m) (a) 1., 2., 3., 4., 5., and 6., (b), (d), (e), (h), (i), and (j), (2) (a), (b), and
10 (c), (3) (a) and (b), and (3m) of the statutes first applies to students who enroll in an
11 institution within the University of Wisconsin System, a technical college district
12 school, or a private institution of higher education in the 2016–17 academic year.

13 (2) **ACADEMIC SCHOLARSHIP TAX CREDIT.** The treatment of section 71.07 (5p) first
14 applies to taxable years beginning after December 31, 2017.

15 (END)



PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION
SENATE AMENDMENT ,
TO SENATE BILL 228

Handwritten: FNS 11-22

1 At the locations indicated, amend the bill as follows:

2 **1.** Page 11, line 19: delete "No" and substitute "Except as provided in subd. 5.,
3 no".

4 **2.** Page 11, line 23: after that line insert:

5 "5. An individual may delay the time when he or she is otherwise required to
6 begin claiming the credit under this subsection as described in subd. 4. if, in the
7 taxable year that immediately follows the year in which the individual graduates,
8 as described in s. 39.41 (3m) (a) or (b), the individual is a full-time student enrolled
9 in a course of study that is leading to a higher degree. For purposes of this
10 subdivision, an associate degree is higher than a vocational diploma, and a bachelor's
11 degree is higher than an associate degree."

12

(END)

Handwritten: FNS 12-2

Gary, Aaron

From: Hollenberger, Ethan
Sent: Sunday, December 13, 2015 8:34 PM
To: Gary, Aaron
Subject: Re: Sub Amendment

12/11 mtg w/ Ethan to discuss
this email

Aaron,

One change. Please use May 1 as the date to notify HEAB.

Thanks
Ethan

On Dec 11, 2015, at 1:28 PM, Hollenberger, Ethan <Ethan.Hollenberger@legis.wisconsin.gov> wrote:

Aaron,

We chatted about his in our office. This is what we came up with.

High schools are to allocate alternates in this fashion under the bill:

If the senior 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 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 on the American college test as a scholar.

Something like this would work instead:

High schools will name all students who qualify, naming a scholar as the pupil with the highest grade point average. The school board will then rank alternate pupils who qualify, but do not have a GPA below 3.500.

HEAB's re-circulation:

If a high school either has no named scholars or all scholars and alternates have declined/accepted an award, HEAB may choose an alternate from another high school. HEAB should organize all alternates by ACT within each school size grouping. Scholarships must remain within the same school size grouping. State-wide alternates are awarded to those with highest ACT score. If not enough scholarships, winners are chosen through lottery.

HEAB ranks only by ACT (from list of GPA/ACT eligible seniors)

Notification of HEAB:

Scholars must notify HEAB by the later of June 1st or 10 days after HEAB sends notification of an award. HEAB may extend deadline in writing for cause for up to 30 days. Failure to respond without waiver requires forfeiture.

w/in size grouping

Change appropriation:

Fiscal Year 16-17 20.235 (1)(fy) from \$3.2 million to \$3.9 million.

→ no change
needed -

Looking forward to seeing you at 2pm.

sum sufficient

Thank you,
Ethan

Ethan J. Hollenberger
Office of Senator Duey Stroebel
(608) 266-7513



in
12/14

needed Tues. 12/15

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION
SENATE SUBSTITUTE AMENDMENT ,
TO SENATE BILL 228

sa ✓ **REGEN** ✓

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a Under the program, ~~an academic 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 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.

This substitute amendment changes 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 changes 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~~ 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.

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* The substitute amendment 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.

In general, the credit may be claimed only for the seven taxable years following the claimant's graduation, and the claimant may claim only one-seventh of the

a
move ANAL-A to here
H
insert ANAL

a
ANAL-A
move up

eligible amount each year. An individual may delay the time when he or she is otherwise required to claim the credit if, immediately after graduation, the individual pursues an advanced degree. To claim the credit, a claimant must be a full-year resident of this state for the year to which the claim relates.

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.

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

1 **SECTION 1.** 39.41 (1m) (a) 1. to 6. of the statutes are amended to read:

2 39.41 (1m) (a) 1. For each high school with an enrollment of at least 80 pupils
3 but less fewer than 500 pupils, designate the senior with the highest grade point
4 average in all subjects, but not less than 3.500 or the equivalent, and with a score of
5 at least 28 on the American college test as a scholar. If the senior with the highest
6 grade point average in all subjects does not have a score of at least 28 on the American
7 college test, the school board or governing body shall designate the senior with the
8 next highest grade point average in all subjects, but not less than 3.500 or the
9 equivalent, and with a score of at least 28 on the American college test as a scholar.

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

18 3. For each high school with an enrollment of at least 1,000 pupils but less fewer
19 than 1,500 pupils, designate the 3 seniors with the 3 highest grade point averages

1 in all subjects, but not less than 3.500 or the equivalent, and with scores of at least
2 28 on the American college test as scholars. If any of the seniors with the highest
3 grade point average in all subjects does not have a score of at least 28 on the American
4 college test, the school board or governing body shall designate the senior with the
5 next highest grade point average in all subjects, but not less than 3.500 or the
6 equivalent, and with a score of at least 28 on the American college test as a scholar.

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

15 5. For each high school with an enrollment of 2,000 or more pupils but fewer
16 than 2,500 pupils, designate the 5 seniors with the 5 highest grade point averages
17 in all subjects, but not less than 3.500 or the equivalent, and with scores of at least
18 28 on the American college test as scholars. If any of the seniors with the highest
19 grade point average in all subjects does not have a score of at least 28 on the American
20 college test, the school board or governing body shall designate the senior with the
21 next highest grade point average in all subjects, but not less than 3.500 or the
22 equivalent, and with a score of at least 28 on the American college test as a scholar.

23 6. For each high school with an enrollment of 2,500 or more pupils, designate
24 the 6 seniors with the 6 highest grade point averages in all subjects, but not less than
25 3.500 or the equivalent, and with scores of at least 28 on the American college test

1 as scholars. If any of the seniors with the highest grade point average in all subjects
2 does not have a score of at least 28 on the American college test, the school board or
3 governing body shall designate the senior with the next highest grade point average
4 in all subjects, but not less than 3.500 or the equivalent, and with a score of at least
5 28 on the American college test as a scholar.

6 **SECTION 2.** 39.41 (1m) (b) of the statutes is amended to read:

7 39.41 (1m) (b) Subject to par. (e), by February 25 of each school year, the school
8 board of each school district operating one or more high schools and the governing
9 body of each private high school and of each tribal high school may, for each high
10 school with an enrollment of ~~less~~ fewer than 80 pupils, nominate the senior with the
11 highest grade point average in all subjects, but not less than 3.500 or the equivalent,
12 and with a score of at least 28 on the American college test who may be designated
13 as a scholar by the executive secretary under par. (c) 3. If the senior with the highest
14 grade point average in all subjects does not have a score of at least 28 on the American
15 college test, the school board or governing body shall nominate the senior with the
16 next highest grade point average in all subjects, but not less than 3.500 or the
17 equivalent, and with a score of at least 28 on the American college test for designation
18 as a scholar.

19 **SECTION 3.** 39.41 (1m) (d) of the statutes is renumbered 39.41 (1m) (d) 1. and
20 amended to read.

21 39.41 (1m) (d) 1. By February 25 of each school year, if 2 or more seniors from
22 the same high school of at least 80 pupils have the same grade point average and,
23 except for the limitation on the number of designated scholars, are otherwise eligible
24 for designation under par. (a), the faculty of the high school shall select the applicable
25 number of seniors for designation under par. (a) as scholars and shall certify, in order

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5-20

1 of priority, any remaining seniors with the same grade point average and with scores
2 of at least 28 on the American college test as alternates for the scholars or, if there
3 is no remaining senior with the same grade point average and with a score of at least
4 28 on the American college test, any remaining seniors with the next highest grade
5 point average, but not less than ~~3.800~~ 3.500 or the equivalent, and with scores of at
6 least 28 on the American college test as alternates for the scholars.

7 2. If a senior ~~from that high school~~ designated as a scholar under par. (a) does
8 not qualify for a higher education scholarship under sub. (2) (a) or (3) (a), an alternate
9 ~~for the scholar~~ from the scholar's high school with the same grade point average as
10 any senior from that high school designated as a scholar under par. (a) and with a
11 score of at least 28 on the American college test shall be eligible for a higher education
12 scholarship as a scholar under sub. (2) (a) or (3) (a) until the scholarship may be
13 awarded by the board. If an alternate with the same grade point average as a scholar
14 under par. (a) and with a score of at least 28 on the American college test does not
15 qualify for a higher education scholarship under sub. (2) (a) or (3) (a), an alternate
16 with the next highest grade point average, but not less than ~~3.800~~ 3.500 or the
17 equivalent, and with a score of at least 28 on the American college test shall be
18 eligible for a higher education scholarship as a scholar under sub. (2) (a) or (3) (a)
19 until the scholarship may be awarded by the board.

20 **SECTION 4.** 39.41 (1m) (e) of the statutes is amended to read:

21 39.41 (1m) (e) If 2 or more seniors from the same high school of ~~less~~ fewer than
22 80 pupils have the same grade point average and, except for the limitation of one
23 nominated senior, are otherwise eligible for nomination under par. (b), the faculty of
24 the high school shall select the senior who may be nominated by the school board of
25 the school district operating the public high school or the governing body of the

1 private or tribal high school for designation under par. (b) as a scholar by the
 2 executive secretary. If that senior is designated as a scholar by the executive
 3 secretary, but does not qualify for a higher education scholarship under sub. (2) (a)
 4 or (3) (a), the faculty of the high school shall select, in order of priority, one or more
 5 of the remaining seniors with the same grade point average and with a score of at
 6 least 28 on the American college test for certification as a scholar or, if there is no
 7 remaining senior with the same grade point average and with a score of at least 28
 8 on the American college test, one or more of the remaining seniors with the next
 9 highest grade point average, but not less than ~~3.800~~ 3.500 or the equivalent, and with
 10 a score of at least 28 on the American college test for certification as a scholar, and
 11 the school board of the school district operating the high school or the governing body
 12 of the private or tribal high school shall certify to the board one or more of these
 13 seniors as eligible for a higher education scholarship as a scholar under sub. (2) (a)
 14 or (3) (a) until the scholarship may be awarded by the board.

15 **SECTION 5.** 39.41 (1m) (h) of the statutes is repealed.

16 **SECTION 6.** 39.41 (1m) (i) of the statutes is repealed.

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

18 **39.41 (1m) (j)** ~~In the event that If 2 or more seniors from the same high school
 19 of at least 80 pupils have the same grade point average and are otherwise eligible for
 20 designation under par. (a), the school board of the school district operating the high
 21 school or the governing body of the private or tribal high school shall make the
 22 designation of the faculty of the high school for purposes of par. (d) ~~or (i).~~~~

23 **SECTION 8.** 39.41 (2) (a) of the statutes is amended to read:

24 **39.41 (2) (a)** If a designated scholar under sub. (1m) is admitted to and enrolls,
 25 on a full-time basis, by September 30 of the academic year immediately following the

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1 school year in which the senior was designated a scholar, in an institution within the
2 University of Wisconsin System or in a technical college district school that is
3 participating in the program under this section, the scholar shall receive a higher
4 education scholarship that exempts the scholar from 50 percent of all tuition and
5 fees, including segregated fees, at the institution or district school for one year,
6 ~~except that the maximum scholarship for a scholar who receives an original~~
7 ~~scholarship for the 1996-97 academic year or for any academic year thereafter may~~
8 ~~not exceed \$2,250 per academic year.~~

9 **SECTION 9.** 39.41 (2) (b) of the statutes is amended to read:

10 39.41 (2) (b) For each year that a scholar who receives a scholarship under par.
11 (a) is enrolled full time, maintains at least a 3.000 grade point average, or the
12 equivalent as determined by the institution or district school, and makes satisfactory
13 progress toward an associate degree, a bachelor's degree, or a vocational diploma, the
14 ~~student~~ scholar shall be exempt from 50 percent of all tuition and fees, including
15 segregated fees, in the subsequent year or, if the scholar does not enroll in a
16 participating institution of higher education in the subsequent year, in the 2nd year
17 following the year in which the scholar received the scholarship, ~~except that the~~
18 ~~maximum scholarship for a scholar who receives an original scholarship for the~~
19 ~~1996-97 academic year or for any academic year thereafter may not exceed \$2,250~~
20 ~~per academic year.~~ No scholar is eligible for an exemption for more than 4 years in
21 the University of Wisconsin System or more than 3 years at a district school.

22 **SECTION 10.** 39.41 (2) (c) of the statutes is amended to read:

23 39.41 (2) (c) Subject to sub. (4), for each year ~~the student~~ that a scholar is
24 exempt from tuition and fees under par. (a) or (b), the board shall pay the institution
25 or district school, on behalf of the ~~student~~ scholar, an amount equal to ~~50%~~ 25 percent

1 of the student's scholar's tuition and fees, ~~except that the maximum payment for a~~
2 ~~student who receives an original scholarship for the 1996-97 academic year or for~~
3 ~~any academic year thereafter may not exceed \$1,125 per academic year.~~

4 **SECTION 11.** 39.41 (3) (a) of the statutes is amended to read:

5 39.41 (3) (a) If a designated scholar under sub. (1m) is admitted to and enrolls,
6 on a full-time basis, by September 30 of the academic year immediately following the
7 school year in which the senior was designated a scholar, in a private institution of
8 higher education that is located in this state and participating in the program under
9 this section, the board shall pay the institution, on behalf of the pupil scholar, an
10 amount equal to ~~50%~~ 25 percent of the tuition and fees charged a resident
11 undergraduate at the University of Wisconsin-Madison in the same academic year,
12 ~~except that the maximum payment for a pupil who receives an original scholarship~~
13 ~~for the 1996-97 academic year or for any academic year thereafter may not exceed~~
14 ~~\$1,125 per academic year.~~

15 **SECTION 12.** 39.41 (3) (b) of the statutes is amended to read:

16 39.41 (3) (b) For each year that a scholar who receives a scholarship under par.
17 (a) is enrolled full time, maintains at least a 3.000 grade point average, or the
18 equivalent as determined by the private institution, and makes satisfactory progress
19 toward a bachelor's degree, the student scholar is eligible for a higher education
20 scholarship as determined under par. (a) in the subsequent year or, if the scholar does
21 not enroll in a participating institution of higher education in the subsequent year,
22 in the 2nd year following the year in which the scholar received the scholarship. No
23 scholar is eligible for a higher education scholarship for more than 4 years at a
24 private institution of higher education.

25 **SECTION 13.** 39.41 (3m) of the statutes is created to read:

1 39.41 (3m) (a) In addition to receiving a scholarship under sub. (2), if the
2 scholar graduates from an institution within the University of Wisconsin System or
3 a technical college district school with a bachelor's degree, an associate degree, or a
4 vocational diploma, the scholar may claim the credit under s. 71.07 (5p).

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

9 **SECTION 14.** 39.41 (5) (a) 1. of the statutes is amended to read:

10 39.41 (5) (a) 1. Each institution within the University of Wisconsin System,
11 technical college district school and private institution of higher education that
12 wishes to participate in the scholarship program under this section in an academic
13 year ~~1999–2000 and thereafter~~ shall notify the board by October 1, ~~1998~~, of the
14 immediately preceding academic year that the institution wishes to participate. A
15 notice of intent to participate given under this subdivision continues in effect for
16 subsequent academic years, subject to any notice given under subd. 2.

17 **SECTION 15.** 71.07 (5p) of the statutes is created to read:

18 71.07 (5p) ACADEMIC SCHOLARSHIP TAX CREDIT. (a) *Definitions.* In this
19 subsection:

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

24 2. "Eligible amount" means 50 percent of all tuition and fees, including
25 segregated fees, that would have been charged to a single full-time student by the

1 institution or school attended by an individual who received a higher education
2 scholarship under s. 39.41 (2) for the years in which the individual received the
3 scholarship under that subsection, or 50 percent of all tuition and fees charged a
4 single full-time resident undergraduate at the University of Wisconsin–Madison for
5 the years in which an individual who received a scholarship under s. 39.41 (3)
6 attended a private institution of higher education located in this state for the years
7 in which the individual received the scholarship under that subsection.

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

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

18 2. No individual may file a claim under this subsection unless he or she was a
19 full-year resident of this state in the year to which the claim relates.

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

22 4. Except as provided in subd. 5., no individual may file a claim under this
23 subsection for any taxable year other than the taxable year that begins immediately
24 after the taxable year in which the claimant graduates from the institution or school

1 with regard to which he or she received the scholarship, as described in s. 39.41 (3m)
2 (a) or (b), and the next 6 successive taxable years.

3 5. An individual may delay the time when he or she is otherwise required to
4 begin claiming the credit under this subsection as described in subd. 4. if, in the
5 taxable year that immediately follows the year in which the individual graduates,
6 as described in s. 39.41 (3m) (a) or (b), the individual is a full-time student enrolled
7 in a course of study that is leading to a higher degree. For purposes of this
8 subdivision, an associate degree is higher than a vocational diploma, and a bachelor's
9 degree is higher than an associate degree.

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

12 **SECTION 16.** 71.10 (4) (cs) of the statutes is created to read:

13 71.10 (4) (cs) Academic scholarship tax credit under s. 71.07 (5p).

14 **SECTION 17. Initial applicability.**

15 (1) **ACADEMIC EXCELLENCE HIGHER EDUCATION SCHOLARSHIPS.** The treatment of
16 section 39.41 (1m) (a) 1., 2., 3., 4., 5., and 6., (b), ^{(c) 3m.,} (d), (e), (h), (i), ^{(k), and (m),} and (j), (2) (a), (b), and
17 (c), (3) (a) and (b), and (3m) of the statutes first applies to students who enroll in an
18 institution within the University of Wisconsin System, a technical college district
19 school, or a private institution of higher education in the 2016–17 academic year.

20 (2) **ACADEMIC SCHOLARSHIP TAX CREDIT.** The treatment of section 71.07 (5p) first
21 applies to taxable years beginning after December 31, 2017.

22 (END)

2015-2016 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRBs0142/P3ins
ARG:...

1 **INSERT ANAL:**

(no P) The substitute amendment also makes changes to the process and procedure under which some scholarships are awarded. Among these changes, if a scholarship that is authorized for a high school having at least 80 pupils is not awarded because the high school has an insufficient number of seniors who meet eligibility criteria, the scholarship is instead awarded by HEAB to a senior in a similarly-sized high school who meets eligibility criteria and has the highest ACT score.

2 **INSERT 5-20:**

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

4 39.41 (1m) (c) 3m. Subject to par. (k), designate the following number of
5 scholars:

6 a. From among seniors enrolled in high schools with an enrollment of at least
7 80 pupils but fewer than 500 pupils, the number calculated under par. (k) 1. a.

8 b. From among seniors enrolled in high schools with an enrollment of at least
9 500 pupils but fewer than 1,000 pupils, the number calculated under par. (k) 1. b.

10 c. From among seniors enrolled in high schools with an enrollment of at least
11 1,000 pupils but fewer than 1,500 pupils, the number calculated under par. (k) 1. c.

12 d. From among seniors enrolled in high schools with an enrollment of at least
13 1,500 pupils but fewer than 2,000 pupils, the number calculated under par. (k) 1. d.

14 e. From among seniors enrolled in high schools with an enrollment of at least
15 2,000 pupils but fewer than 2,500 pupils, the number calculated under par. (k) 1. e.

16 f. From among seniors enrolled in high schools with an enrollment of 2,500 or
17 more pupils, the number calculated under par. (k) 1. f.

18 **SECTION 2.** 39.41 (1m) (d) of the statutes is repealed and recreated to read:

1 39.41 (1m) (d) 1. By February 25 of each school year, the school board of each
2 school district operating one or more high schools and the governing body of each
3 private high school and of each tribal high school shall identify, for each high school
4 with an enrollment of at least 80 pupils, each senior who has a grade point average
5 in all subjects of at least 3.500 or the equivalent and who has a score of at least 28
6 on the American college test. The school board or governing body shall create a list
7 of all such seniors for each high school, ranking them, from highest to lowest, in order
8 of grade point average but, in instances where 2 or more seniors have the same grade
9 point average, ordering these seniors with the same grade point average according
10 to their score on the American college test. In instances where 2 or more seniors have
11 the same grade point average and the same score on the American college test, the
12 faculty of the high school shall determine the relative ranking of these seniors and
13 certify the order of ranking of these seniors to the school board or governing body.
14 This list of rankings shall identify, on the list, each senior's grade point average and
15 American college test score. The school board or governing body shall designate
16 scholars under par. (a) according to the order of ranking of seniors on this list of
17 rankings. After the applicable number of seniors to be designated as scholars under
18 par. (a) have accepted the designation as a scholar as provided in subd. 2., the
19 remaining seniors on the list of rankings under this subdivision shall be considered
20 alternates. The school board or governing body shall provide its list of rankings of
21 alternates to the executive secretary.

22 2. Upon receiving notice of his or her designation as a scholar under par. (a),
23 a senior shall give notice to the school board or governing body making the
24 designation that the senior accepts or declines the designation or shall request an
25 extension of time to accept or decline the designation, which extension may be

1 granted only in writing, upon a showing of good cause, and may not exceed 30 days.
 2 The senior shall give this notice accepting or declining the designation, or requesting
 3 an extension, in writing and within 10 days of the date of the school board's or
 4 governing body's notice of designation, or by May 1 of the academic year in which the
 5 senior receives notice of the designation, whichever is later. If the senior requests
 6 an extension of time to accept or decline the designation and the request is granted,
 7 the senior shall give notice in writing that he or she accepts or declines the
 8 designation by the end of the extension period. If a senior does not give timely notice
 9 under this subdivision, the designation is revoked and the school board or governing
 10 body shall designate as a scholar the next senior on the list of rankings under subd.
 11 1. The school board or governing body shall repeat this process as necessary until
 12 it receives timely acceptance of the designation. The school board or governing body
 13 shall follow this procedure until it has designated scholars for the applicable number
 14 of seniors to be designated under par. (a) or until the school board or governing body
 15 has exhausted its list of rankings of seniors. A senior designated as a scholar under
 16 par. (a) is not considered to be a designated scholar for purposes of sub. (2) (a) or (3)
 17 (a) unless the senior ^{has} accepted the designation as provided in this subdivision.
 18 3. For each high school, if the number of eligible seniors on the list of rankings
 19 under subd. 1. who accept designation as a scholar is less than the applicable number
 20 of seniors to be designated as scholars under par. (a), the school board or governing
 21 body shall report to the executive secretary the number of scholars it was authorized
 22 to designate under par. (a) but could not designate because of an insufficient number
 23 of eligible seniors.

25 **INSERT 7-17:**

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

2 39.41 (1m) (j) ~~In the event that~~ If 2 or more seniors from the same high school
3 of at least 80 pupils have the same grade point average and score on the American
4 college test and are otherwise eligible for designation under par. (a), the school board
5 of the school district operating the high school or the governing body of the private
6 or tribal high school shall ~~make the designation of~~ rank the seniors as determined
7 and certified by the faculty of the high school for purposes of under par. (d) or (i).

8 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.

9 **SECTION 4.** 39.41 (1m) (k) of the statutes is created to read:

10 39.41 (1m) (k) 1. Based on the reports received by the executive secretary under
11 par. (d) 3., the executive secretary shall calculate the total number of scholars
12 authorized to be designated under par. (a) but that could not be designated because
13 of an insufficient number of eligible seniors, for all of the following:

14 a. High schools with an enrollment of at least 80 pupils but fewer than 500
15 pupils.

16 b. High schools with an enrollment of at least 500 pupils but fewer than 1,000
17 pupils.

18 c. High schools with an enrollment of at least 1,000 pupils but fewer than 1,500
19 pupils.

20 d. High schools with an enrollment of at least 1,500 pupils but fewer than 2,000
21 pupils.

22 e. High schools with an enrollment of at least 2,000 pupils but fewer than 2,500
23 pupils.

24 f. High schools with an enrollment of 2,500 or more pupils.

1 2. After receiving the lists of rankings of alternates from the school board or
2 governing body of each high school under par. (d) 1., the executive secretary shall
3 separate these lists into 6 groups to correspond with the 6 groupings of high schools
4 by size of enrollment under subd. 1. Within each group, the executive secretary shall
5 consolidate the lists of rankings of alternates and reorder the rankings, from highest
6 to lowest, according to the seniors' American college test scores. The executive
7 secretary shall designate seniors as scholars under par. (c) 3m. based on the order
8 of ranking, within each group, of seniors by American college test score. If 2 or more
9 seniors have the same American college test score and the number of scholars
10 authorized for designation under par. (c) 3m. is less than the number of seniors with
11 the same American college test score, the executive secretary shall determine by
12 lottery which senior or seniors, among those with the same American college test
13 scores, are designated as scholars under par. (c) 3m.

14 3. Upon receiving notice of his or her designation as a scholar under par. (c) 3m.,
15 a senior shall give notice to the executive secretary that the senior accepts or declines
16 the designation or shall request an extension of time to accept or decline the
17 designation, which extension may be granted only in writing, upon a showing of good
18 cause, and may not exceed 30 days. The senior shall give this notice accepting or
19 declining the designation, or requesting an extension, in writing and within 10 days
20 of the date of the executive secretary's notice of designation, or by May 1 of the
21 academic year in which the senior receives notice of the designation, whichever is
22 later. If the senior requests an extension of time to accept or decline the designation
23 and the request is granted, the senior shall give notice in writing that he or she
24 accepts or declines the designation by the end of the extension period. If a senior does
25 not give timely notice under this subdivision, the designation is revoked and the

1 executive secretary shall designate as a scholar the next senior on the executive
 2 secretary's applicable consolidated list of rankings under subd. 2. The executive
 3 secretary shall repeat this process as necessary until the executive secretary receives
 4 timely acceptance of the designation. The executive secretary shall follow this
 5 procedure until the executive secretary has made all designations authorized under
 6 par. (c) 3m. or until the executive secretary has exhausted the applicable
 7 consolidated list of rankings under subd. 2. A senior designated as a scholar under
 8 par. (c) 3m. is not considered to be a designated scholar for purposes of sub. (2) (a) or
 9 (3) (a) unless the senior ^{has} accepted the designation as provided in this subdivision.

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

11 ~~39.41~~ (1m) (m) Notwithstanding pars. (a), (b) and (d), if a high school ranks its
 12 seniors on the basis of grades in academic subjects, the school board of the school
 13 district operating the high school or the governing body of the private or tribal high
 14 school ~~or, for purposes of par. (d), the faculty of the high school~~ may request a waiver
 15 from the executive secretary in order to fulfill its requirements under par. (a), (b) or
 16 (d) on the basis of grade point averages in academic subjects.

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.

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18

Gary, Aaron

From: Hollenberger, Ethan
Sent: Tuesday, December 15, 2015 5:17 PM
To: Gary, Aaron
Subject: RE: SB 228 Sub Amendment

12/16 mtg with John, Ethan

Aaron,

I received it and have begun reviewing.

Some changes:

Section 2: Add a sentence that allows schools to name alternates so that HEAB has a pool of candidates to choose from.

Section 16: Combine the paragraphs into one.

Page 7, line 13: add "and scholars who accept the designation."

Page 10, line 3: change to 5 days

Lastly, we have questions on pages 6 & 7. Can you come to our office at 10am to run through the bill?

Thank you,
Ethan

From: Gary, Aaron
Sent: Tuesday, December 15, 2015 1:14 PM
To: Hollenberger, Ethan <Ethan.Hollenberger@legis.wisconsin.gov>
Subject: RE: SB 228 Sub Amendment

I thought the draft was sent out to your office about an hour ago.

I have attached the draft.

Aaron

Aaron R. Gary
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From: Hollenberger, Ethan
Sent: Tuesday, December 15, 2015 1:03 PM
To: Gary, Aaron <Aaron.Gary@legis.wisconsin.gov>
Subject: SB 228 Sub Amendment

Aaron,

I wanted to check in on the amendment draft.

The senator is in today and I wanted to review it with him.

Ethan J. Hollenberger
Office of Senator Duey Stroebel
(608) 266-7513

2015-2016 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRBs0142/P4ins
ARG:...

SAV

1 **INSERT ANAL:**

(no P) for a high school having at least 80 pupils, the scholarship recipient is designated by HEAB, rather than the school district of the public high school or governing body of the private or tribal high school in which the student is enrolled, based on a ranking of students provided by the school district or governing body to HEAB. In addition,

2 **INSERT 3-1:**

3 **SECTION 1.** 39.41 (1) (ag) of the statutes is amended to read:

4 39.41 (1) (ag) "Faculty of the high school" means the principal administrative
5 unit of the faculty personnel of a high school designated under sub. (1m) (j).

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.

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

7 39.41 (1m) (a) (intro.) Subject to par. (d), by February 25 of each school year,
8 the school board of each school district operating one or more high schools and the
9 governing body of for each public, private high school and of each, and tribal high
10 school for which the executive secretary receives a list of rankings under par. (d) 1.,
11 the executive secretary shall:

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.

12

13 **INSERT 4-23:**

(no P) In addition, the school district or governing body may identify as an alternate
14 nominee the senior who, after the nominee, has the next highest grade point average
15 in all subjects, but not less than 3.500 or the equivalent, and a score of at least 28 on
16 the American college test, and the executive secretary may designate as a scholar
17

1 under par. (c) 3. an alternate nominee if the executive secretary receives fewer than
2 10 nominations under this paragraph of seniors who are not alternates.

3
4 **INSERT 5-14:**

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

6 39.41 (1m) (c) 4. For each public, private, or tribal high school with an
7 enrollment of at least 80 pupils, notify the school board of the school district
8 operating the public high school or the governing body of the private or tribal high
9 school of the ~~number of scholars to be~~ requirement under par. (d) 1. to provide to the
10 executive secretary a list of rankings of seniors who may be designated as scholars
11 under par. (a) or (c) 3m.

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.

12 **SECTION 4.** 39.41 (1m) (c) 5. of the statutes is amended to read:

13 39.41 (1m) (c) 5. For each public, private, or tribal high school with an
14 enrollment of ~~less than~~ ^{fewer} 80 pupils, notify the school board of the school district
15 operating the public high school or the governing body of the private or tribal high
16 school that the school board or governing body may nominate a senior and an
17 alternate under par. (b) who may be designated as a scholar by the executive
18 secretary.

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.

19
20 **INSERT 6-5:**

21 (no P) The school board or governing body shall provide this list of rankings to the
22 executive secretary by February 25 of each school year.

1 2. From each high school for which the executive secretary receives a list of
2 rankings under subd. 1., the executive secretary shall designate scholars under par.
3 (a) according to the order of ranking of seniors on this list of rankings. After the
4 applicable number of seniors to be designated as scholars under par. (a) have
5 accepted the designation as a scholar as provided in subd. 3., the remaining seniors
6 on this list of rankings shall be considered alternates and the executive secretary
7 shall proceed as provided in par. (k) 2.

8
9 **INSERT 7-14:**

10 39.41 (1m) (e) If 2 or more seniors from the same high school of less fewer than
11 80 pupils have the same grade point average and, except for the limitation of one
12 nominated senior and one alternate, are otherwise eligible for nomination under par.
13 (b), the faculty of the high school shall select the senior who may be nominated by
14 the school board of the school district operating the public high school or the
15 governing body of the private or tribal high school for designation under par. (b) as
16 a scholar by the executive secretary and shall also select an alternate nominee. If
17 that the nominated senior or the alternate is designated as a scholar by the executive
18 secretary, but does not qualify for a higher education scholarship under sub. (2) (a)
19 or (3) (a), the faculty of the high school shall select, in order of priority, one or more
20 of the remaining seniors with the same grade point average and with a score of at
21 least 28 on the American college test for certification as a scholar or, if there is no
22 remaining senior with the same grade point average and with a score of at least 28
23 on the American college test, one or more of the remaining seniors with the next
24 highest grade point average, but not less than 3.800 3.500 or the equivalent, and with
25 a score of at least 28 on the American college test for certification as a scholar, and

1 the school board of the school district operating the high school or the governing body
2 of the private or tribal high school shall certify to the board one or more of these
3 seniors as eligible for a higher education scholarship as a scholar under sub. (2) (a)
4 or (3) (a) until the scholarship may be awarded by the board.

5 **SECTION 5.** 39.41 (1m) (g) of the statutes is renumbered 39.41 (1m) (g) 1. and
6 amended to read:

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

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.

16 **SECTION 6.** 39.41 (1m) (g) 2. of the statutes is created to read:

17 39.41 (1m) (g) 2. Any designation under subd. 1. after the 2015-16 school year
18 shall be made by the executive director.

19
20 **INSERT 9-10:**

21 (no P) alternates on the list of rankings under par. (d) 1. are determined as provided
22 in par. (d) 2., the executive secretary shall create a new list of rankings of alternates
23 as provided in this subdivision. The executive secretary shall separate the lists of
24 rankings received by the executive secretary under par. (d) 1. into 6 groups to

1 correspond with the 6 groupings of high schools by size of enrollment under subd. 1. ✓
2 and shall include on these lists only seniors the executive secretary has determined
3 to be alternates. Within each of these groups,

4

5 **INSERT 13-6:**

6 (no P) , or a private institution of higher education located in this state