



## WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

**2015 Senate Bill 228**

**Senate Substitute Amendment 1  
and Senate Amendment 1 to  
Senate Substitute Amendment 1**

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*Contact:* Dan Schmidt, Principal Analyst (267-7251)

### **2015 SENATE BILL 228**

Senate Bill 228 makes a number of changes to the Academic Excellence Higher Education Scholarship Program (AES). The bill increases annual AES scholarship amounts from the current \$2,250 to 50% of tuition at state institutions and 50% of UW-Madison tuition at private institutions. The bill reduces the total number of AES scholarships available and requires a student to have a grade point average of 3.500 or higher and an American College Test (ACT) score of 30 in order to qualify for the AES.

The bill also creates an income tax credit, equal to 50% of all tuition and fees charged while under scholarship at a public institution or 50% of UW-Madison tuition and fees while under scholarship at a public institution, for AES recipients who graduate and reside and work in Wisconsin. A recipient may only claim the credit for the five taxable years following graduation at a rate of 1/5 of the eligible total per year and no refund may be paid if the credit exceeds the claimant's tax liability.

### **SENATE SUBSTITUTE AMENDMENT 1**

Senate Substitute Amendment 1 increases annual AES scholarship amounts from the current \$2,250 to 50% of tuition at state institutions and 50% of UW-Madison tuition at private institutions. The substitute amendment maintains the current number of AES scholarships available and requires a student to have a grade point average of 3.500 or higher and an ACT score of at least 28 in order to qualify for the AES. The substitute amendment alters the AES selection process for schools with more than 80 students by requiring the Higher Educational Aids Board (HEAB) to designate the scholarship from a ranked list of students provided by the school district, rather than the school district determining the recipient itself. If a school does not have enough seniors who meet eligibility requirements under the substitute amendment,

HEAB must award the scholarship to a student who meets the criteria from another similarly sized school.

Schools with an enrollment of fewer than 80 pupils may nominate the senior with the highest grade point average that is 3.500 or higher and an ACT score of at least 28. Such schools may also nominate an alternate student who has the next highest grade point average that is 3.500 or higher and an ACT score of at least 28. HEAB is then responsible for designating up to 10 of the nominees as AES scholarship recipients. HEAB may designate scholarship recipients from the alternate nominees if there are fewer than 10 nominations made for seniors who are not alternates.

The substitute amendment also creates an income tax credit, equal to 50% of all tuition and fees charged while under scholarship at a public institution or 50% of UW-Madison tuition and fees while under scholarship at a public institution, for AES recipients who graduate and reside in Wisconsin. Under the substitute amendment, a recipient may only claim the credit for the seven taxable years following graduation at a rate of 1/7 of the eligible total per year, however, a recipient may delay using the tax credit if he or she pursues an advanced degree immediately following graduation. No refund may be paid if the credit exceeds the claimant's tax liability.

Finally, the substitute amendment eliminates a provision of current law which restricts school participation in the AES Program to schools who provided a notice of interest in participation to HEAB prior to October 1, 1998.

### **SENATE AMENDMENT 1 TO SENATE SUBSTITUTE AMENDMENT 1**

This amendment eliminates the tax credit provision for AES recipients as provided in the substitute amendment and requires schools who are participating in the AES Program to offer an internship during one of the AES scholar's years of enrollment.

### **BILL HISTORY**

On January 28, 2016, the Senate Committee on Universities and Technical Colleges unanimously recommended both the adoption of Senate Amendment 1 to Senate Substitute Amendment 1 and the adoption of Senate Substitute Amendment 1, as amended. The committee then recommended passage of Senate Bill 228, as amended, by a vote of Ayes, 4; Noes, 1.

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