AN ACT to create 20.235 (1) (fr), 39.439 and 227.01 (13) (Lt) of the statutes;
relating to: creating a grant program to cover tuition and other educational expenses at public institutions of higher education, granting rule-making authority, and making an appropriation.

Analysis by the Legislative Reference Bureau
This bill creates a Wisconsin Promise Program, administered by the Higher Educational Aids Board (HEAB), to provide grants to eligible students to cover tuition and other fees (tuition), along with housing and textbook costs as calculated by HEAB using a median per-student figure (other educational expenses), at any University of Wisconsin System institution or college campus, any technical college, or any tribal college in this state (collectively “public institution”). In general, a student is eligible for a grant under the program if the student: 1) is a resident enrolled at least half-time in a public institution; 2) has completed counseling explaining the program; and 3) signs an agreement that includes a promise to graduate with a cumulative grade point average of at least 3.0 and a promise to be continuously employed, subject to certain grace periods, within this state for at least three years after graduation. The grant amount is the amount of the student’s tuition and other educational expenses after other financial aid in the form of grants and scholarships has been applied, based on the tuition and expenses level in the student’s first year of enrollment and extended for the greater of four semesters or 60 credits. However, with an exception, if a student who receives a grant fails to comply with the terms of the agreement described in item 3), above, the grant
converts to a loan that must be repaid at an annual interest rate of 5 percent. HEAB must, by rule, provide for a hardship exception under which the student may obtain a waiver under which the grant is not converted to a loan as a result of the student’s failure to comply with the terms of the agreement. HEAB must specify standards for the determination of hardship and a process for seeking a waiver from HEAB.

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. 20.235 (1) (fr) of the statutes is created to read:


SECTION 2. 39.439 of the statutes is created to read:

39.439 Wisconsin promise grants. (1) DEFINITIONS. In this section:

(a) “Expected family contribution” means the amount that a student and the student’s family are expected to contribute toward the student’s tuition and other educational expenses in the student’s first year of enrollment at a public institution of higher education, as determined after the student and student’s family have completed the most recent federal Free Application for Federal Student Aid, as described in 20 USC 1090 (a), and the amounts of all other available grants and scholarships are applied.

(b) “Other educational expenses” means the median cost per student calculated by the board under sub. (7).

(c) “Public institution of higher education” means any of the following:

1. Any institution or college campus of the University of Wisconsin System.

2. Any technical college established under ch. 38.

3. Any tribally controlled college located in this state.
(d) “Tuition,” when referring to the University of Wisconsin System, means academic fees and segregated fees; when referring to the technical colleges, means “program fees” and “additional fees” as described in s. 38.24 (1m) and (1s); and when referring to a tribally controlled college, means the charge for the courses for which a student is enrolled.

(2) Establishment of Grant Program. There is established, to be administered by the board, a Wisconsin promise program to provide grants to students who meet the eligibility criteria specified in sub. (3).

(3) Eligibility. Subject to subs. (5) and (6), a student is eligible for a grant under this section if the student meets all of the following criteria:

(a) The student is a resident student enrolled at least half-time in a public institution of higher education.

(b) The student has successfully completed counseling explaining the benefits and obligations of the program under this section, including the terms and conditions of the agreement under par. (c) and consequences of noncompliance specified in sub. (5).

(c) The student signs an agreement that includes all of the following:

1. A promise to graduate from the public institution of higher education with a cumulative grade point average of at least 3.0 on a 4-point scale or the equivalent.

2. A promise to be employed within 3 months after the date of the student’s graduation and to remain continuously employed within this state for at least 3 years thereafter, except for no more than 45 days of unemployment within this 3-year period and except that the start of the student’s employment may be deferred if the student’s studies continue after graduation, such as when the student graduates
from the collegiate transfer program of a technical college or the student graduates with a bachelor’s degree and continues to graduate school.

(4) AMOUNT OF GRANT. The amount of the grant under this section shall be based on the expected family contribution and shall be an amount calculated to cover the expected family contribution for 4 semesters or 60 credits, whichever is greater. The grant shall be paid from the appropriation account under s. 20.235 (1) (fr).

(5) GRANT CONVERSION TO LOAN. (a) Except as provided in par. (b), if a student who received a grant under this section fails to comply with the terms of the agreement under sub. (3) (c), including failure to satisfy the promises in sub. (3) (c) 1. and 2., the grant shall convert to a loan. This loan shall be repaid at an annual interest rate of 5 percent, calculated from the date the grant funds were disbursed.

(b) In the rules under sub. (8), the board shall provide for a hardship exception under which a student who fails to comply with the terms of the agreement under sub. (3) (c), including failure to satisfy either of the promises in sub. (3) (c) 1. or 2., may obtain a waiver from the board under which the grant received by the student is not converted to a loan under par. (a). The rules shall specify standards for the board’s determination of hardship and a process for seeking a waiver under this paragraph.

(c) The board shall deposit in the general fund as general purpose revenue–earned all repayments of loans under par. (a) and the interest on the loans.

(6) DELINQUENT SUPPORT OBLIGATIONS. The board may not make a grant under this section to a person whose name appears on the statewide support lien docket under s. 49.854 (2) (b), unless the person provides to the board a payment agreement that has been approved by the county child support agency under s. 59.53 (5) and that is consistent with rules promulgated under s. 49.858 (2) (a).
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(7) Calculating Housing and Materials Costs. The board shall annually calculate, for students at public institutions of higher education, the median cost per student, for an academic year, of all of the following:

(a) Housing.

(b) Textbooks and other books and materials required for classes in which a student is enrolled, including laboratory materials and supplies.

(8) Rules. The board shall promulgate rules to implement this section.

Section 3. 227.01 (13) (Lt) of the statutes is created to read:

227.01 (13) (Lt) Relates to the calculation under s. 39.439 (7).

(END)