



Legislative Fiscal Bureau

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February 12, 2020

TO: Members
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Assembly Bill 536/Senate Bill 481: Career Advancement Scholarship Program

Assembly Bill 536 was introduced on October 14, 2019, and referred to the Assembly Committee on Colleges and Universities. A public hearing was held on the bill on December 12, 2019. Executive action was taken on January 23, 2020, at which time Assembly Amendment 1 was adopted by the Committee by a vote of 14-0 and the bill as amended was recommended for passage by a vote of 14-0.

Senate Bill 481 was introduced on October 4, 2019, and referred to the Senate Committee on Universities, Technical Colleges, Children and Families.

SUMMARY

The bill would create two new appropriations under the Higher Educational Aids Board (HEAB). The first would be an annual appropriation providing \$1,250,000 GPR beginning in 2020-21 for the career advancement scholarship program. The second would be a continuing appropriation providing \$500,000 GPR in annual funding beginning in 2020-21 for a marketing campaign for the scholarship program that would be required under the bill.

The bill would require HEAB to establish a program to award scholarships beginning in 2020-21 to individuals who meet the following requirements: (a) are at least 25 years old; (b) do not have a postsecondary credential; (c) are not enrolled at any institution of higher education; (d) intend to enroll at an eligible institution (defined as a technical college, UW System institution, tribal college, or private nonprofit institution of higher education headquartered in Wisconsin); (e) have been state residents for at least one year prior to enrolling in an eligible institution; (f) complete the federal Free Application for Federal Student Aid (FAFSA); (g) are considered independent students for purposes of federal financial aid; and (h) have an expected family contribution that does not exceed the maximum amount established by the U.S. Department of Education for eligibility under the federal Pell Grant Program.

An eligible individual would receive a scholarship equal to the lesser of the following: (a) 50% of the total tuition and fees an eligible institution charges the individual for the academic year; or (b) the individual's unmet need for the academic year. Unmet need would be defined as the difference between the total amount of tuition and fees an eligible institution charges an enrolled individual, except for room and board fees, and the total amount of financial aid, other than loans, provided to the individual, including grants, scholarships other than those awarded under the bill, and other nonloan financial assistance.

An individual who receives a scholarship could renew the scholarship in any subsequent academic year if the individual satisfies all of the following: (a) is enrolled at an eligible institution in a program leading to a postsecondary credential, and as determined by the eligible institution, has made satisfactory academic progress in that program; (b) maintains a cumulative grade point average of at least 2.0 on a 4-point scale or the equivalent; and (c) participates in an academic and career advising program of the eligible institution. HEAB would be required to certify whether a scholarship recipient is participating in the academic and career advising required for renewal of the scholarship.

The bill would require HEAB to contract with 60 Forward (a collaboration between the technical college system, the UW System, and the Wisconsin Association of Independent Colleges and Universities to increase the number of adults with a postsecondary credential) for a marketing campaign to encourage adults without postsecondary credentials to earn postsecondary credentials. The marketing campaign would be required to include information on how scholarships are awarded, how postsecondary credentials could be earned while working full-time, and how nontraditional students could overcome barriers to earning postsecondary credentials. HEAB would be required to submit a plan for the marketing campaign to the Joint Committee on Finance no later than September 15, 2020. If the Co-chairs did not schedule a hearing within 14 working days to review the proposed plan, HEAB could implement the plan. If a meeting was scheduled to review the plan within 14 working days, HEAB could implement the plan only as approved, or modified and approved, by the Committee.

In developing the marketing plan and certifying whether a scholarship recipient meets the academic and career advising requirement, HEAB would be required to consult with the Board of Regents of the UW System, the technical college system board, and the Wisconsin Association of Independent Colleges and Universities. HEAB would also be required to submit an annual report to the Joint Committee on Finance evaluating the success of the scholarship program by August 1, 2022, and annually thereafter. The report would be required to specify the number and amount of scholarships awarded in the current fiscal year and the eligible institutions in which the scholarship recipients are enrolled.

SUMMARY OF ASSEMBLY AMENDMENT 1

The amendment would make the following changes to the bill: (a) specify that individuals would be eligible for a scholarship if they do not have an associate or bachelor's degree, rather than if they do not have any postsecondary credential; and (b) include the statutory chapter referencing the technical college system.

FISCAL EFFECT

As noted above, the bill would create two new GPR appropriations totaling \$1,750,000 in 2020-21. In its fiscal estimate, HEAB identifies \$47,000 of potential programming costs to monitor students and calculate awards that would not be funded under the bill.

Prepared by: Christa Pugh