



State of Wisconsin
2017 - 2018 LEGISLATURE

LRB-3758/1
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2017 SENATE BILL 735

January 29, 2018 - Introduced by Senators VINEHOUT, RISSER and LARSON, cosponsored by Representatives BROSTOFF, BERCEAU, C. TAYLOR, SUBECK, ANDERSON, SARGENT, POPE, CROWLEY and SPREITZER. Referred to Committee on Universities and Technical Colleges.

1 **AN ACT** *to create* 20.235 (1) (fr), 39.417, 71.07 (5n) (e), 71.28 (5n) (e) and 227.01
2 (13) (yn) of the statutes; **relating to:** creating a grant program to cover tuition
3 and fees for resident students enrolled in technical colleges and University of
4 Wisconsin System college campuses, eliminating the manufacturing tax credit,
5 granting rule-making authority, and making an appropriation.

Analysis by the Legislative Reference Bureau

This bill creates a grant program to cover resident tuition and fees at technical colleges and two-year University of Wisconsin System schools. The bill also eliminates the manufacturing tax credit.

The bill creates the Freedom to Learn Program, administered by the Higher Educational Aids Board, to provide grants to resident students enrolled in technical colleges or two-year UW System schools (eligible postsecondary institutions) who have completed the federal Free Application for Federal Student Aid (FAFSA). The amount of the grant is the amount of the student's tuition and fees, minus the amount of other grants and scholarships awarded to the student to cover tuition and fees. A recipient of an initial grant may renew the grant in the following academic year if the recipient has maintained enrollment and a cumulative grade point average of at least 2.0 and again enrolls in an eligible postsecondary institution in the following academic year and completes the FAFSA. HEAB must establish requirements for community service by grant recipients, and a grant may not be renewed unless the grant recipient has satisfied these community service requirements. After a student

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has met all requirements for an associate degree or diploma in the student's program, the student is no longer eligible for the grant. Under the bill, HEAB must submit to the legislature certain reports relating to the program.

Under current law, a person may claim a tax credit based on the person's qualified production activities income derived from manufacturing or agriculture in this state. The bill provides that, for taxable years beginning after December 31, 2017, a person may not claim the tax credit for income that is derived from manufacturing.

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

2 20.235 (1) (fr) *Freedom to learn program.* A sum sufficient for the grant
3 program under s. 39.417.

4 **SECTION 2.** 39.417 of the statutes is created to read:

5 **39.417 Freedom to learn program. (1) DEFINITIONS.** In this section:

6 (a) "College campus" has the meaning given in s. 36.05 (6m).

7 (b) "Eligible postsecondary institution" means any of the following:

8 1. Any college campus.

9 2. Any technical college established under ch. 38.

10 (c) "Resident student" means a student who is considered by an eligible
11 postsecondary institution to be a resident of this state for purposes of determining
12 the student's tuition and fees.

13 (d) "Tuition and fees" means the following:

14 1. When referring to a college campus, all academic fees and segregated fees
15 charged to a student enrolled in the college campus.

16 2. When referring to a technical college, all fees under s. 38.24 (1m) charged to
17 a student enrolled in the technical college.

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1 **(2) ESTABLISHMENT OF PROGRAM.** There is established, to be administered by the
2 board, a freedom to learn program to annually provide grants to students who meet
3 the eligibility criteria specified in this section.

4 **(3) ELIGIBILITY FOR GRANT.** Subject to subs. (5), (6), (7), and (8) (b), a student is
5 eligible for a grant under this section if the student meets all of the following criteria:

6 (a) The student is a resident student enrolled in an eligible postsecondary
7 institution.

8 (b) The student has completed the federal Free Application for Federal Student
9 Aid, as described in 20 USC 1090 (a), for the applicable academic year.

10 **(4) AMOUNT OF GRANT.** (a) Subject to par. (b) and sub. (6), the amount of the grant
11 awarded to a student under this section is the amount of the student's tuition and
12 fees, minus the total amount of all grants and scholarships awarded to the student,
13 excluding the grant under this section, intended to cover all or part of the student's
14 tuition and fees, as determined by the eligible postsecondary institution.

15 (b) If awarding the full amount of a grant under this section would result in an
16 overaward of financial assistance in violation of federal law or regulation, the board
17 may reduce the amount of the grant in order to comply with that law or regulation.

18 (c) All grant amounts under this section shall be paid from the appropriation
19 account under s. 20.235 (1) (fr). Grant amounts shall be disbursed through the
20 financial aid office of the eligible postsecondary institution in which the grant
21 recipient is enrolled.

22 **(5) GRANT RENEWAL.** (a) Subject to par. (b) and subs. (6), (7), and (8) (b), a
23 recipient of an initial grant under this section may renew the grant in the following
24 academic year if the recipient has maintained enrollment and a cumulative grade
25 point average of at least 2.0 on a 4-point scale or the equivalent, if the recipient

SENATE BILL 735**SECTION 2**

1 enrolls in an eligible postsecondary institution in the following academic year, and
2 if the recipient has completed the federal Free Application for Federal Student Aid,
3 as described in 20 USC 1090 (a), for the applicable academic year. Subject to par. (b)
4 and subs. (6), (7), and (8) (b), a recipient of a renewal grant under this section may
5 further renew the grant in the same manner.

6 (b) Upon a showing of good cause, including for medical reasons or as a result
7 of an approved leave of absence from the eligible postsecondary institution in which
8 a student is enrolled, the board may renew a grant under this section following an
9 interruption in the student's enrollment.

10 **(6) LIMITATIONS.** (a) A student is not eligible for a grant under this section after
11 the student has met all requirements for an associate degree or diploma in the
12 student's program at an eligible postsecondary institution.

13 (b) The board may not award a grant under this section to a person whose name
14 appears on the statewide support lien docket under s. 49.854 (2) (b), unless the
15 person provides to the board a payment agreement that has been approved by the
16 county child support agency under s. 59.53 (5) and that is consistent with rules
17 promulgated under s. 49.858 (2) (a).

18 **(7) COMMUNITY SERVICE.** The board shall establish requirements for community
19 service, which may include mentoring, for grant recipients under this section. No
20 grant under this section may be renewed unless the grant recipient has satisfied the
21 community service requirements established by the board.

22 **(8) ADMINISTRATION OF PROGRAM.** (a) Upon request by the board, the Board of
23 Regents of the University of Wisconsin System, the technical college system board,
24 and a technical college district board shall provide to the higher educational aids

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1 board all information requested by the higher educational aids board for purposes
2 of administering the program under this section.

3 (b) As a condition of receiving an initial or renewal grant under this section,
4 a grant applicant shall do all of the following:

5 1. Attempt to secure available federal, state, and institutional grants and
6 scholarships.

7 2. Authorize the disclosure to the board of the type and amount of any other
8 grant or scholarship awarded to the applicant as a result of subd. 1.

9 3. Disclose to the financial aid office of the eligible postsecondary institution
10 in which the applicant is enrolled any additional grant or scholarship received by the
11 applicant, from any source, that is not disbursed through the financial aid office,
12 including the type and amount of the grant or scholarship.

13 (c) The board may prescribe forms and promulgate rules to administer the
14 program under this section.

15 **(9) REPORTS.** (a) The board shall study and analyze data relating to the
16 retention and the success of students receiving grants under this section. Annually,
17 the board shall submit a report to the chief clerk of each house of the legislature for
18 distribution to the appropriate standing committees under s. 13.172 (3) that
19 summarizes the board's findings and conclusions.

20 (b) The board shall review and study the program under this section to
21 determine the effectiveness of the program. The report under par. (a) submitted
22 during the 4th year after the effective date of this paragraph ... [LRB inserts date],
23 and every 4th report submitted thereafter, shall include the board's findings and
24 conclusions resulting from its study of the effectiveness of this program.

25 **SECTION 3.** 71.07 (5n) (e) of the statutes is created to read:

SENATE BILL 735**SECTION 3**

1 71.07 **(5n)** (e) *Sunset manufacturing credit*. For taxable years beginning after
2 December 31, 2017, a claimant may not claim a credit under this subsection with
3 respect to the claimant's eligible qualified production activities income in a taxable
4 year that is derived from qualified production property described under par. (a) 9. a.
5 Credits under this subsection with respect to the claimant's eligible qualified
6 production activities income for taxable years that begin before January 1, 2018, and
7 that is derived from qualified production property described under par. (a) 9. a. may
8 be carried forward to taxable years that begin after December 31, 2017.

9 **SECTION 4.** 71.28 (5n) (e) of the statutes is created to read:

10 71.28 **(5n)** (e) *Sunset manufacturing credit*. For taxable years beginning after
11 December 31, 2017, a claimant may not claim a credit under this subsection with
12 respect to the claimant's eligible qualified production activities income in a taxable
13 year that is derived from qualified production property described under par. (a) 9. a.
14 Credits under this subsection with respect to the claimant's eligible qualified
15 production activities income for taxable years that begin before January 1, 2018, and
16 that is derived from qualified production property described under par. (a) 9. a. may
17 be carried forward to taxable years that begin after December 31, 2017.

18 **SECTION 5.** 227.01 (13) (yn) of the statutes is created to read:

19 227.01 **(13)** (yn) Establishes community service requirements under s. 39.417
20 (7).

21 **SECTION 6. Initial applicability.**

22 (1) The treatment of section 39.417 of the statutes first applies to students
23 enrolled in the 2018-19 academic year.

24 **(END)**