



## Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

March 16, 2010

TO: Members  
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Senate Bill 407/Assembly Bill 604 -- Eligibility for Academic Excellence Higher Education Scholarships

Senate Bill 407 was introduced on November 20, 2009, and referred to the Senate Committee on Agriculture and Higher Education. The Committee recommended the bill for passage on February 24, 2010, on a vote of 5 to 0.

A companion bill, Assembly Bill 604, was introduced on December 8, 2009, and referred to the Assembly Committee on Colleges and Universities. The Committee recommended the bill for passage on February 24, 2010, on a vote of 12 to 0.

### **BACKGROUND**

The academic excellence higher education scholarship program provides scholarships to selected 12<sup>th</sup> grade students who have the highest grade point average (GPA) in each public and private high school in the state. Scholarships may be awarded to up to six students per high school. The number of scholarships awarded to each high school is based on total student enrollment.

To receive a scholarship, a student must enroll full-time at a UW System institution, a Wisconsin technical college, or a participating private, nonprofit postsecondary institution located in this state in the semester following his or her high school graduation. Scholars receive a maximum of \$2,250 per year, half of which is funded by the state through a sum sufficient GPR appropriation, and half of which is funded by the institution in which the student enrolls. Funding for the program totals \$3,190,000 GPR annually. If a scholar maintains at least a 3.0 GPA, he or she may receive up to four years of scholarships if enrolled at a UW System or participating private college, or up to three years of scholarships at a Wisconsin technical college.

*Alternates.* If two or more students from the same high school have the same grade point average and there is only one scholarship available, the faculty of the high school must designate one student as a scholar and certify, in order of priority, any remaining seniors with the same GPA as alternates. In the case where a high school weights different courses differently to determine a student's GPA and there is no student with the same GPA as the designated scholar, the senior with the next highest GPA may be certified as an alternate. If a student who has been designated as a scholar does not qualify for the scholarship because he or she does not enroll in a UW System institution, a Wisconsin technical college, or a participating private, nonprofit postsecondary institution by September 30 of the following academic year, then the qualifying alternate selected from the same high school is awarded the scholarship.

## **SUMMARY OF BILL**

SB 407/AB 604 would modify the process by which scholarship alternates are selected. Under the bill, if there is no remaining senior with the same GPA as a designated scholar, then a senior with the next highest GPA would be certified as an alternate for the scholar as long as the GPA was not less than 3.800 or the equivalent. The bill would also change the date by which a school must designate a scholar from February 15 to February 25. The bill provisions would first apply to scholarships awarded for the 2010-11 academic year.

## **FISCAL EFFECT**

Because the bill would expand the pool of alternates available to use a scholarship if a designated scholar does not enroll in a qualifying school, the Higher Educational Aids Board estimates that an additional 106 scholarships would be used in 2010-11. This estimate is based on the number of scholarships that remained unused in 2008-09, and appears reasonable. The state's share of a scholarship is \$1,125, so that expenditures for the program would increase by an estimated \$119,300 GPR in 2010-11 under the bill. Because the gross balance in the general fund as of June 30, 2011, is currently estimated to be less than the \$65 million balance required under s. 20.003(4) of the statutes, the bill should be amended to include a notwithstanding clause relative to s. 20.003(4).

In future years, the costs to the state would increase to an estimated \$230,000 in 2011-12, \$345,000 in 2012-13, and \$450,000 in 2013-14 and annually thereafter, as the additional students eligible under the bill use their four years of eligibility under the program.

Prepared by: Dave Loppnow