



Legislative Fiscal Bureau

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October 15, 2013

TO: Members
Joint Finance Committee

FROM: Bob Lang, Director

SUBJECT: Assembly Bill 398/Senate Bill 334: Technical Excellence Higher Education Scholarships

Assembly Bill 398 was introduced on October 1, 2013, and referred to the Assembly Committee on Children and Families. The Committee held a public hearing on the bill on October 3, 2013. The Committee recommended the bill for passage on October 9, 2013, by a vote of 9 to 1.

Senate Bill 334 was introduced on October 4, 2013, and referred to the Senate Committee on Economic Development and Local Government. The Committee held a public hearing on the bill on October 10, 2013. The Committee recommended the bill for passage on October 11, 2013, by a vote of 5 to 0.

SUMMARY OF BILL

Assembly Bill 398/Senate Bill 334 would create a technical excellence higher education scholarship program under the Higher Educational Aids Board (HEAB) similar to the existing academic excellence scholarship program. Under the bills, high school seniors with the highest levels of proficiency in technical education subjects would be designated as scholars. Students designated as scholars would be eligible to receive scholarships of \$2,250 per academic year for up to three years. Half of the scholarship (\$1,125) would be paid by HEAB through a new GPR sum sufficient appropriation for that purpose and the remaining half would be funded by the technical college district with institutional funds, gifts, or grants. To receive a scholarship, a designated scholar must enroll on a full-time basis in a participating Wisconsin technical college by September 30 of the academic year immediately following the student's senior year of high school. To receive a scholarship in subsequent years, a student who has been designated as a scholar must maintain at least a 3.0 grade point average or the equivalent and make satisfactory progress towards an associate degree, a bachelor's degree, or a vocational diploma. Scholars do not need to maintain continuous enrollment to remain eligible for the scholarship. Students would first be eligible to receive technical excellence scholarships in the 2015-16 academic year.

Designation of Scholars. Under the bills, each school board and each governing body of a private high school or a tribal high school would be required to develop criteria for determining the level of proficiency in technical education subjects of seniors enrolled in high schools operated by the school board or governing body. The school boards and governing bodies would be required to submit these criteria to the HEAB Board for approval. If the Board approves the criteria proposed by each school board and governing body, the school board and governing body could use those criteria to designate or nominate seniors as scholars for the purpose of receiving scholarships or as scholarship alternates. The HEAB Secretary would be required to develop criteria for determining the level of proficiency in technical education subjects of seniors enrolled in the schools for the Deaf and Hard of Hearing and for the Blind and Visually Impaired and for seniors enrolled in public, private, or tribal high schools with enrollments of fewer than 80 pupils. The HEAB Secretary would have to submit these criteria to the Board for approval and, if the criteria are approved by the Board, the HEAB Secretary could use those criteria to designate or nominate seniors as scholars for the purpose of receiving scholarships or as alternatives for the scholarship.

By February 25 of each year, each school board and each governing board of a private or tribal high school would designate the senior or seniors with the highest level of proficiency in technical education as scholars for the purpose of receiving the scholarship. The number of seniors designated as scholars at an individual high school would be based on the enrollment of the school with the maximum number of seniors who could be designated as scholars set at six, as shown in the following table.

<u>Enrollment in High School</u>	<u>Number of Scholars</u>
80 to 499	1
500 to 999	2
1,000 to 1,499	3
1,500 to 1,999	4
2,000 to 2,499	5
2,500 or more	6

High schools with less than 80 pupils would nominate one senior to be designated as a scholar by the HEAB Secretary. From amongst the seniors nominated by high schools with less than 80 pupils, the HEAB Secretary would designate no more than 10 seniors as scholars. In addition, the HEAB Secretary would designate one senior from the school for the Blind and Visually Impaired and one senior from the school for the Deaf and Hard of Hearing as scholars.

High schools with at least 80 pupils could designate any remaining seniors with the same level of proficiency or, if there are no remaining seniors with the same level of proficiency, seniors with the next highest level of proficiency as alternates for the scholarship. If a designated scholar would not qualify for a scholarship because he or she does not enroll on a full-time basis in a participating Wisconsin technical college by September 30 of the following academic year, students who have been designated as alternates could be designated as scholars in the order of their level of proficiency.

If two or more seniors from a high school with less than 80 pupils have the same level of proficiency in technical education subjects and would otherwise both be eligible for nomination, then the faculty of the high school would select the senior to be nominated. If that senior is designated as a scholar and does not qualify for the scholarship, then the faculty of the high school would select a senior with the same level of proficiency or, if there is no remaining senior with the same level of proficiency, the senior with the next highest level of proficiency for nomination as a scholar. If two or more seniors from the school for the Blind and Visually Impaired or from the school for the Deaf and Hard of Hearing have the same level of proficiency in technical education subjects, the HEAB Secretary would designate one senior as a scholar. If the senior designated by the HEAB Secretary does not qualify for a scholarship, the HEAB Secretary would designate a scholar from the remaining seniors with the same level of proficiency or, if there is no such senior, the senior with the next highest level of proficiency.

If a high school with at least 80 pupils closes or merges, the school board or the governing board operating the high school would in each of the two years following the closure or merger designate the same number of scholars from among the students enrolled in the school at the time of closure or merger as were designated for the school in the year that it closed or merged.

Technical College Participation. Technical college districts wishing to participate in the scholarship program would be required to notify the HEAB Board by October 1 of the year prior to the academic year in which the district wishes to begin participation. If a participating technical college district wishes to discontinue its participation in the program, the district must notify the HEAB Board by October 1 of the year prior to the academic year in which the district wishes to cease participation. The HEAB Board may also suspend or revoke a technical college district's participation in the program.

Responsibilities and Reports. Each designated scholar would be responsible for notifying HEAB which technical college district school he or she will be attending as soon as practicable and in each year that a scholarship will be received. The HEAB Board would be responsible for notifying each scholar of the amount of the scholarship that he or she would receive in each year that a scholarship will be received. The HEAB Board would be required to promulgate rules to implement the technical excellence higher education scholarship program. Technical excellence higher education scholarships could not be used to supplant any other grant for which a student could be eligible.

By August 1, 2016, and annually thereafter, HEAB would be required to submit a report to the Joint Committee on Finance regarding the technical excellence higher education scholarship program. That report would have to include the number of students receiving scholarships, the amount of those scholarships, the technical college districts in which students receiving scholarships are enrolled, and an evaluation of the success of the program.

FISCAL EFFECT

Based on current expenditures for the academic excellence scholarship program, which is similar to the proposed technical excellence higher education scholarship, HEAB estimates that

program expenditures would be \$880,000 GPR in 2015-16 and \$1,760,000 GPR in 2016-17. As students would be eligible for the scholarship for up to three years, program expenditures could total \$2,640,000 GPR beginning in 2017-18; however, actual expenditures in the third year and thereafter are likely to be lower as most technical college programs can be completed in two years or less. Funding for the HEAB portion of the scholarships would be provided through a new GPR sum sufficient appropriation created by the bill.

Due to the matching requirement included in the bill, the technical college district boards would be required to expend similar amounts related to the proposed program. The bill requires that the technical college district boards fund their portion of scholarships with institutional funds, gifts, or grants. No additional state GPR would be provided to the technical college district boards for this purpose.

Prepared by: Emily Pope