

Clearinghouse Rule 09-114

PROPOSED ORDER OF THE DEPARTMENT OF ADMINISTRATION CREATING RULES

The Department of Administration proposes the following order to create Chapter Adm 80 relating to the administrative procedures for the Wisconsin Covenant Scholars Program.

SUMMARY OF PROPOSED RULE

Statute interpreted: Section 39.437, Stats.

Statutory authority: Section 39.437(5), Stats.

Explanation of statutory authority: The proposed rules define the various aspects of the Wisconsin Covenant Scholars Program authorized by s. 39.437, Stats., as created by 2007 Wis. Act 20 as to the awarding of grants to Wisconsin Covenant Scholars.

Related statutes or rules: HEA 1.02

Plain language analysis: The 2007 Wisconsin Act 20 created s. 39.437 which provides grants to Wisconsin Covenant Scholars who are enrolled at least half-time at an eligible in-state institution. The Wisconsin Higher Educational Aids Board (HEAB) administers this program with the assistance of the Office of the Wisconsin Covenant Scholars Program under s. 39.437. The proposed rules define the various aspects of the Wisconsin Covenant Scholars Grant program including the award criteria and distribution process.

Summary of, and comparison with, existing or proposed federal regulation:
These rules are not intended to address any proposed or existing federal regulations.

Comparison with rules in adjacent states:

Indiana

The Twenty-first Century Scholars Program began in 1990 as Indiana's way of raising the educational aspirations of low- and moderate-income families. The program aims to ensure that all Indiana families can afford a college education for their children.

Income-eligible 6th, 7th and 8th graders who enroll in the program and fulfill a pledge of good citizenship to the state are guaranteed the cost of four years of undergraduate college tuition at any participating public college or university in Indiana (also includes private, proprietary and Ivy Tech State College). Once enrolled, increase in family income does not affect a student's eligibility to participate in the program. Students must attend full-time.

The administrative rules for this program present similar requirements for award distribution, such as FAFSA filing, and eligibility as they pertain to the Twenty-first Century Scholars Program.

Iowa

The All Iowa Opportunity Scholarship is a state-funded program that provides scholarships to students who do well in high school and demonstrate financial need. The Opportunity Scholarship is administered by the Iowa College Student Aid Commission. In 2007, Governor Culver budgeted \$1.5 million for the Scholarship, of which \$500,000 is directed towards Iowa foster children.

Students attending eligible Iowa colleges and universities may receive awards of up to the average tuition and fee rate established for students attending a Regent University. Priority will be given to students who participated in the Federal TRIO Programs, graduated from alternative high schools, and to homeless youth. Opportunity Scholarships are renewable for a second year if the student is attending an Iowa community college, as long as they meet academic standards.

The administrative rules for this program present similar requirements for award distribution, such as FAFSA filing, and eligibility as they pertain to the All Iowa Opportunity Scholarship. An amendment to the state statute is currently pending to modify the current eligibility requirements.

Summary of factual data and analytical methodologies:

The proposed rules were drafted by the Office of the Wisconsin Covenant in collaboration with the Office of the Governor and the Higher Educational Aids Board, and with support from program partners. With an anticipated enrollment of approximately 68,000 to 70,000 students, the rules took into consideration estimated completion rate, financial aid eligibility, unmet need and annual allocation of funds.

Analysis and supporting documents used to determine effect on small business:

The proposed rules have no affect upon small business in Wisconsin.

Effect on small business: The proposed rules have no affect upon small business in Wisconsin.

Agency contact person:

Amy Bechtum
Office of the Wisconsin Covenant
101 E. Wilson Street
P.O. Box 7869
Madison, WI 53707-7869
608-261-8652
Amy.Bechtum@wi.gov

Place where comments are to be submitted and deadline for submission:

Comments may be submitted to the agency contact person that is listed above until the date given in the future notice of public hearing. The deadline for submitting comments and the notice of public hearing will be posted on the Wisconsin Administrative Rules website at:

<http://adminrules.wisconsin.gov> when the public hearing is scheduled.

Fiscal Estimate

The Wisconsin Covenant Scholars Program will be administered through the Higher Educational Aids Board, with the assistance of the Office of the Wisconsin Covenant. The rules establish that the Office of the Wisconsin Covenant will be responsible for verifying and designating Wisconsin Covenant Scholars. With the development and full implementation of the program, the Office of the Wisconsin Covenant will continue to fill budgeted positions to help cover the workload of processing and tracking a projected enrollment of approximately 70,000 students during any given year. Each class is likely to range from 15,000 to 20,000 students. The process of verification is planned as a main function of the Office and will be absorbed in the daily operations, assuming full staffing is provided. The Higher Educational Aids Board anticipates the need for an additional full-time staff position to help administer the program.

Text of Proposed Rule

SECTION 1. Chapter ADM 80 is created to read:

Chapter Adm 80 Wisconsin Covenant Scholars Program

Adm 80.01 Purpose. The purpose of this chapter is to define the various aspects of the Wisconsin covenant scholars program authorized by s. 39.437, Stats., as created by 2007 Wis. Act 20, as to the awarding of grants to Wisconsin covenant scholars.

Adm 80.02 Definitions. In this chapter and s. 39.437, Stats:

- (1) "Board" means the higher educational aids board.
- (2) "Eligible institution" means a public or private, non-profit, accredited institution of higher education or a tribally controlled college in Wisconsin which is eligible to participate in the grant program authorized under s. 39.30, Stats.
- (3) "Grant" means a grant awarded under the Wisconsin covenant scholars program, unless otherwise specified.
- (4) "Half-time enrollment" means enrollment in at least six academic credits per semester or the quarterly equivalent as determined by the educational institution.
- (5) "Office" means the office of the Wisconsin covenant scholars program.
- (6) "Scholar" means a student determined to be eligible to receive a monetary award under the Wisconsin covenant scholar program.

Adm 80.03 Designation of Scholar. (1) To be designated as a Wisconsin covenant scholar by the office for the purpose of grant eligibility, a student must:

- (a) Enroll in the Wisconsin covenant scholars program by submitting the appropriate paperwork to the office by September 30th of his or her freshman year in high school,
- (b) Complete all the requirements specified in the Wisconsin covenant scholar verification instructions, and

(c) Complete the Wisconsin covenant scholar verification form, consistent with the Wisconsin covenant scholar verification instructions, and submit the form to the office by the date specified in the verification instructions. The form must be signed by the school principal or the principal's designee to be considered valid.

(2) By April 1st, of each year, the office will submit to the board a list of scholars eligible for grant consideration.

Note: The current Wisconsin covenant scholar verification instructions and form will be available on the office's website (www.wisconsin covenant.wi.gov) by August 1st of each year. In addition, the current Wisconsin covenant scholar verification instructions and form will be mailed to students who have enrolled in the Wisconsin covenant scholars program under subd. (1)(a) by the start of their senior year.

Adm 80.04 Scholar Qualifications. (1) A scholar who meets the requirements of s. Adm. 80.03 shall receive an award only if all of the following apply:

(a) The scholar is a resident of the United States who is either a citizen or an alien lawfully admitted for permanent residence by the U.S. citizenship and immigration services (USCIS).

(b) The scholar is a Wisconsin resident according to the residency standards of s. 36.27, Stats.

(c) The scholar is admitted to an eligible institution and enrolled, within three academic years of high school graduation, in a program eligible for federal student aid under Title IV of the federal Higher Education Act leading to an undergraduate degree, diploma, or certificate from an eligible college or university. Board staff may make exceptions to the three-year enrollment requirement on a case-by-case basis if health, military reserve or National Guard status, or other personal reasons.

(2) Scholars with an earned associate's or bachelor's degree are not eligible to receive a grant under this program.

Adm 80.05 Continuing Scholar Eligibility. (1) The scholar may receive the grant award for no more than the equivalent of four semesters of undergraduate education.

(2) Eligibility for the grant awards ceases if:

(a) The scholar does not maintain acceptable academic standards as prescribed by the student's institution of higher education.

(b) The scholar does not file an updated free application for federal student aid (FAFSA) annually, or

(c) The board determines the scholar no longer meets need-based eligibility, or

(d) More than three academic years have passed since the scholar graduated high school, unless the board has made a case-by-case exception under s. Adm. 80.04(1)(c).

(e) The scholar receives an associate's or a bachelor's degree.

Adm 80.06 Terms of Grants. (1) By April 10th, 2010, and annually thereafter, the office shall develop and submit to the board one formula for the awarding of grants under s. 39.437, Stats., for the upcoming academic year to scholars enrolled in an eligible public, private, or technical institution.

(2) Grants shall be made on the basis of financial need determined by the national needs analysis as used under s. 39.435, Stats.

(3) Priority will be provided to scholars who have a FAFSA on file by April 1st. Grants may be made available to scholars who filed their FAFSA after April 1st only if funding becomes available after grants have been awarded to all eligible scholars who submitted their FAFSA by April 1st.

(4) Grants will be awarded only after scholarships, federal and state need-based aid excluding loans, and institutional aid programs have been awarded. A grant under this section shall not be used to replace any other grant for which a student is eligible.

(5) Grants shall not be made:

(a) For summer terms or other special terms of attendance, or

(b) Before the first term of the academic year following the scholar's senior year in which he or she was selected as a recipient.

Adm 80.07 High School Responsibilities. Each high school shall provide the office with a list of students who did not fulfill their requirements for scholar designation within two weeks after the school's graduation, but in no case later than June 30th.

Adm 80.08 Institutional Responsibilities. (1) Each eligible institution shall ensure that the grant does not replace other need-based federal, state, or institutional assistance in the package of financial aid offered to the scholar by the institution.

(2) Funds shall be returned to the board, using the board's established Return of Funds policy, for scholars who fail to attend, withdraw, or drop out of the institution.

Adm 80.09 Reporting System. The reporting system contemplated by s. 39.437 (5)(a), Stats., is established under s. HEA 1.02 and administered by the board.

SECTION 2. Effective date: The rules contained in this proposed order will take effect on the first day of the month commencing after the date of publication, pursuant to authority granted by s. 227.22(2) Stats.

Dated:

Michael L. Morgan
Secretary of Administration