



# Tyler August

State Representative • 32nd Assembly District

## Testimony on AB 804

Mr. Chairman, thank you for holding a hearing on this bill.

AB 804 creates a new merit-based scholarship for students attending the UW System.

As you may know, the UW System has struggled in the past to attract and retain the best and brightest students partly due to a lack of merit scholarship opportunities.

Therefore, we have authored legislation that will create the Wisconsin Merit Scholarship Program. This new scholarship will be awarded, based on merit, to Wisconsin residents that attend a UW System campus. The program will create new scholarships valued at \$5,000 each.

UW System President Ray Cross fully supports this legislation as it will give the UW new scholarship opportunities.

It is important to note that this bill does not require any GPR spending to create or maintain the Wisconsin Merit Scholarship. The funding for the scholarship program will come from interest earnings from the Normal School Fund (NSF), which is directed by the Wisconsin Constitution to benefit the UW System. Over time, any additional revenue into the NSF will allow for more scholarships to be awarded.

The Board of Commissioners of Public Lands (BCPL) is constitutionally required to distribute interest earnings to the UW System. The scholarships will be administered by the UW Regents to Wisconsin residents only, for \$5,000 per year. The number of scholarships will depend on the balance of the fund.

The BCPL discussed this proposal in a recent meeting and did not have any opposition.



## **Stephen L. Nass**

Wisconsin State Senator

### **AB 804 Wisconsin Merit Scholarship Program**

Testimony of Senator Steve Nass

Assembly Committee on Government Accountability & Oversight

January 17, 2018 • 300 Northeast, State Capitol

Thank you Chairman Hutton for holding a public hearing on Assembly Bill 804. This legislation will create the Wisconsin Merit Scholarship program. The program establishes new merit-based scholarships of \$5,000 each that will be awarded to Wisconsin residents that attend a UW-System school. It will be administered by the UW-System Board of Regents.

The scholarship will be awarded to Wisconsin students based solely on their academic merit. AB 804 requires the Board of Regents to determine student merit based on the student's performance on standardized college entrance examinations, and if applicable, cumulative high school grade point averages (GPAs). This legislation is supported by UW-System President Ray Cross.

UW-System schools have struggled to attract and retain the best and brightest in-state students in the past, partially because of a lack of merit scholarship assistance compared to other similar colleges and universities around the country. Many other flagship universities in the Big Ten Conference, for example, offer top students considerably more academic scholarship opportunities based on ACT and SAT scores. The Wisconsin Merit Scholarship is a step toward making UW-System schools more competitive in attracting the top students, particularly from Wisconsin.

The Wisconsin Academic Excellence Scholarship (AES) is the only major state supported, merit-based scholarship program that currently exists. The AES awards the top graduates from Wisconsin high schools an average of \$2,250 per year to attend an in-state college or university. The new Wisconsin Merit Scholarship would be more than double that amount by comparison.

AB 804 does not require additional state GPR spending to fund the new merit scholarships. The scholarships will be funded by interest earnings from the Normal School Fund (NSF), which is administered by the Board of Commissioners of Public

*“In God We Trust”*

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Lands (BCPL). The proceeds of the NSF are required to benefit UW-System schools. Over time, any additional revenue and interest earnings from the NSF will allow more merit scholarships to be awarded to Wisconsin students.

Under current law, income and interest from the Normal School Fund (NSF) is appropriated to the Board of Regents annually to do the following:

1. Make need-based grants totaling \$100,000 to students at the Gaylord Nelson Institute for Environmental Studies at UW-Madison who are members of underrepresented groups.
2. Provide scholarships totaling \$100,000 to students enrolled in the sustainable management degree program through UW-Extension.
3. Award the balance to UW-Stevens Point for environmental programs.

AB 804 changes the current allocation by requiring the Board of Regents to provide \$300,000 annually to UW-Stevens Point for environmental programs and use the balance to fund the merit scholarships created by this bill. The interest earned from the NSF in FY 2017 was about \$475,000. Under the bill, that would mean \$175,000 allocated to the new merit scholarship, which would provide 35 scholarships of \$5,000 each.

Thank you for the opportunity to testify in support of this legislation creating the Wisconsin Merit Scholarship program to help attract and retain the best and brightest Wisconsin students at UW-System colleges and universities. If committee members have further questions, I am happy to answer them at this time.

**Assembly Committee on Government Accountability & Oversight – Assembly Bill 804  
(SUPPORT)**

**Testimony provided by  
Derek Kindle, Financial Aid Director  
University of Wisconsin-Madison  
January 17, 2018**

Chairman Hutton and Members of the Assembly Committee on Government Accountability & Oversight,

Thank you for the opportunity to testify today in support of Assembly Bill 804. My name is Derek Kindle and I am the Director of Student Financial Aid at the University of Wisconsin-Madison. I have worked in higher education with a focus on financial aid for 19 years. In that time, I have had the pleasure of serving on the Government Accountability Office's study on the Simplification of the Free Application for Federal Student Aid (FAFSA), the U.S. Department of Education's FAFSA Design Team, the CollegeBoard's College Planning and Access Committee and as a commissioner for the Accrediting Council for Continuing Education and Training. Currently, I also serve as the Regional Council representative for the CollegeBoard's Midwestern region.

At UW-Madison we're pleased to report that over 53% of our undergraduates did not borrow for their degree, and for those who borrowed, their average debt (\$28,255) is below both state (\$29,460) and national (\$30,100) averages. Our students who borrow are also very responsible- only 1.5% of our federal direct loan borrowers default- that's among the lowest not just within our state, but lowest among our B1G and national peers. We continue to work with campus and community partners to offer our students robust financial wellness and debt management programs.

We are making great strides in bolstering need-based scholarships programs at UW-Madison and will continue strategies to fundraise for need-based aid. However, know that we are not competitive with merit-based aid offers.

We lag behind in our B1G peers in total financial aid support for students. B1G peers are our biggest competitors when it comes to recruiting the best and brightest. Our sister schools in the UW System also have challenges recruiting the best and brightest in their regions against private and other out of state competitors.

Assembly Bill 804 would require the Board of Regents of the University of Wisconsin System to award an annual \$5,000 merit-based scholarship to students enrolled in UW System schools who have graduated from a Wisconsin high school or home-school program. The bill requires the Board of Regents to determine student merit using both standardized test scores and high school cumulative grade point average.

I am supportive of this legislation because of the need for UW System schools to recruit, retain and graduate the best and brightest high school students in Wisconsin. It's important that the

UW campuses partner with the legislature on exploring creative ways to incentivize high-performing students to stay in our state and continue their education here. We are also cognizant that need and merit are not necessarily mutually exclusive. Students with high-need and who demonstrate academic merit would also be supported through this legislation.

I would like to thank Senator Nass and Representative August for introducing this legislation to help support and reward high-achieving students in Wisconsin. I thank the committee for taking the time to consider this important bill and I would be happy to take questions at this time.