



TYLER AUGUST

STATE REPRESENTATIVE • 32ND ASSEMBLY DISTRICT
MAJORITY LEADER

Testimony on SB 84

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

Senate Bill 84 simply eliminates the upcoming sunset on the merit-based scholarship program for students attending the UW System.

The program has been extremely useful in giving the UW System another tool to keep Wisconsin's top students enrolled here in our state.

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

Therefore, in 2018 I authored legislation creating the Wisconsin Merit Scholarship Program. The scholarship is awarded, based on merit, to Wisconsin residents that attend a UW System campus. The program's scholarships are set at \$5,000 each.

The UW System and UW-Madison fully support this legislation as it has given the UW new scholarship opportunities to offer potential students.

It is important to note that this bill does not require any GPR spending to maintain the Wisconsin Merit Scholarship. The funding for the scholarship program comes from interest earnings from the Normal School Fund (NSF), which is directed by the Wisconsin Constitution to benefit the UW System. Over time, 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 are administered by the UW Regents to Wisconsin residents only, for \$5,000 per year. The number of scholarships given out depends on the balance of the fund.

Both the UW System and UW-Madison are supportive of the program and will be registering in favor of the bill.



SB 84: Extension of the Wisconsin Merit Scholarship

Testimony of Senator Steve Nass

Senate Committee on Universities and Revenue

March 7, 2023 • 201 Southeast, State Capitol

Thank you Chairman and committee members for allowing me to provide testimony in support of SB 84. This bill removes the sunset date on the law that created and funded the Wisconsin Merit Scholarship program, so that these scholarships will continue to benefit Wisconsin students and keep our best and brightest students in-state.

In 2018, Rep. August and I introduced and passed legislation creating the Wisconsin Merit Scholarship program. The program established new merit-based scholarships of \$5,000 each to be awarded to Wisconsin residents that attend a UW-System school, and is administered by the UW-System Board of Regents.

The scholarship is awarded to Wisconsin students based solely on their academic merit, which is defined as the student's performance on standardized college entrance exams and cumulative grade point averages (GPAs). The Wisconsin Merit Scholarship is designed to help attract and retain the best and brightest in-state students, and was a response to UW schools falling behind peer schools in other states in regard to academic scholarship opportunities based on ACT and SAT scores.

The original bill that was signed into law had a five year sunset date that ends in April of 2023 so that the legislature could assess the success of this new program.

In fact, the program has exceeded and grown beyond even our highest expectations at the time it was enacted. In the past 3 academic years **299 Wisconsin students have received a merit scholarship under the program, totaling \$1.5 million in value.** The number of scholarships has grown each year as the investment income that funds the scholarships continues to grow.

80 scholarships were awarded in 2020-21

105 scholarships in 2021-22

114 scholarships in 2022-23

Therefore, this bill removes that sunset date so that these scholarships will continue to benefit Wisconsin students and keep our best and brightest in-state.

"In God We Trust"

11th Senate District

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UW-System schools have struggled to attract and retain the top in-state students, 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 academic students, particularly from Wisconsin.

The Wisconsin Academic Excellence Scholarship (AES) is the only other major state supported, merit-based scholarship program that currently exists (before the creation of the Merit Scholarship in 2018, it was the only one). 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 Wisconsin Merit Scholarship is more than double that amount by comparison.

It is important to note, that the merit scholarship does not require existing or new state GPR dollars. The scholarships are funded by interest earnings from the Normal School Fund (NSF), which is administered by the Board of Commissioners of Public Lands (BCPL). The proceeds of the NSF are required to benefit UW-System schools. Over time, the additional revenue and interest earnings from the NSF will continue to allow more merit scholarships to be awarded to Wisconsin students.

This bill and the merit scholarship program is supported by UW-System, and the original law creating it received bipartisan support.

Thank you for the opportunity to provide testimony in support of SB 84. I urge your support of this important legislation to allow our best and brightest students to continue to benefit from the Wisconsin Merit Scholarship and remain in Wisconsin. Please contact my office with any further questions committee members have on this legislation.

March 7, 2023

Testimony on Senate Bill 84

Senate Committee on Universities and Revenue

Thank you, Chairman Hutton and committee members, for having a hearing on Senate Bill 84 relating to the Extension of the Wisconsin Merit Scholarship Program.

Keeping the best and brightest students in Wisconsin is important to the University of Wisconsin System. And with the system falling behind in the past because of the lack of academic scholarship opportunities here in the state, these students were moving to other states to achieve their dreams. That is why the Wisconsin Merit Scholarship Program was created.

Over the past three academic years, this program has been deemed a proven success in attracting and retaining the best students in Wisconsin by giving out nearly 300 scholarships.

In the academic year of 2020 through 2021, there were 80 scholarships given out, totaling a total of 400,000 dollars.

105 scholarships totaling 525,000 dollars were awarded during the academic year 2021-2022.

Now, in this academic year, 2022-2023, there were 114 scholarships given out, totaling in 570,000 dollars.

That is why it is our goal to remove this upcoming sunset date. This program has proven to be successful and will continue to grow by keeping more and more of the best students in the University of Wisconsin System.

The Wisconsin Alliance of Boys and Girls Clubs is supportive of the program and will be registering in favor of the bill.

Thank you for your time and consideration.



Office of Government Relations

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DATE: March 7, 2023
TO: Members of the Senate Committee on Universities and Revenue
FROM: UW System Office of Government Relations
RE: Testimony in Support of Senate Bill 84


Thank you, Chairman Hutton, and committee members, for providing the UW System (UWS) an opportunity to share testimony on Senate Bill 84 (SB 84). UWS supports this legislation and thanks Senator Nass, Representative Green, and Representative August for authoring it.

The Wisconsin Merit Scholarship Program was created under 2017 Wisconsin Act 314. The program provides merit-based scholarships of \$5,000 to Wisconsin students that meet certain academic and residency requirements. Specifically, these awards are based on standardized college entrance exam scores, cumulative high school grade point averages, and the student must have graduated from a Wisconsin high school. Funding for the Wisconsin Merit Scholarship Program comes from the Normal School Fund (NSF), a state trust fund established by the previous sale of state lands. Interest from this fund is statutorily required to be used for the benefit of the UWS. Proceeds from the NSF go to four different programs; need-based grants to UW-Madison students enrolled in Environmental Studies, scholarships for students in the Sustainable Management Degree Program through UW-Extension, funding for environmental programs at UW-Stevens Point, and scholarships through the Merit Scholarship Program. The first three allocations have statutory funding caps. The remaining fund balance is directed to the Merit Scholarship Program. Currently, this program has a sunset date of April 1, 2023. Senate Bill 84 eliminates this provision and allows for the UWS to continue providing these important scholarships to Wisconsin students.

The Merit Scholarship Program has been highly successful in helping some of Wisconsin's brightest students stay in the state to obtain a postsecondary education. Since the inception of the program, UWS has provided almost \$1.5M through nearly 300 individual scholarship awards. That is nearly 300 students who may not have stayed in Wisconsin and attended a UWS University without this financial aid. UWS would like to continue to offer these scholarships to Wisconsin students, which is why we support removing the sunset date.

(Cont.)

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Wisconsin is in the midst of a workforce shortage, and we need to add more talented workers to our state's labor pool if we want our economy to thrive. UWS is on the frontlines of this issue, producing skilled graduates that will add to the workforce. We must keep our best and brightest in Wisconsin. The Wisconsin Merit Scholarship Program is a compelling way our campuses can attract more students to fulfill this goal.

Thank you again for holding a hearing on this bill and allowing UWS to provide testimony in support of SB 84. UWS appreciates the Legislature establishing this important program and supports its continuation.



WISCONSIN

UNIVERSITY OF WISCONSIN-MADISON

Senate Committee on Universities & Revenue

2023 Senate Bill 84

Wisconsin Merit Scholarships

March 7, 2023

Chairman Hutton and members of the Senate Committee on Universities & Revenue:

The University of Wisconsin-Madison thanks the committee for the opportunity to provide testimony in support of Senate Bill 84, relating to the award of Wisconsin merit scholarships to University of Wisconsin System students. My name is Helen Faith and I serve as the director for the Office of Student Financial Aid for the campus. I have over 20 years of experience working in financial aid, student affairs, and enrollment management for two- and four-year, public and private institutions. I have served as key negotiator for the federal rules-making process at the U.S. Department of Education and am currently the chair-elect of the National Association of Student Financial Aid Administrators (NAFSAA). Thank you for the opportunity to appear before you today. UW-Madison supports the passage of SB 84 for the reasons discussed below.

As Wisconsin's flagship campus, UW-Madison is committed to higher education access and affordability. Nearly two thirds (62%) of UW-Madison undergraduates earn their degree with no student debt. For those who graduate with debt, the student loan default rate is 0.2%, compared to the national average of 7.3%. This tells us that UW-Madison students are well prepared for the workforce and can get jobs and start careers that allow them to pay back their student loans.

UW-Madison is also committed to offering a robust need-based financial aid programs to Wisconsin residents each year. Our preeminent need-based aid commitment, Bucky's Tuition Promise, ensures that any Wisconsin resident, freshman or transfer, admitted to the state's flagship institution from a household at or below our state's median income- around \$65,000 a year, can attend with tuition and segregated fees covered. Similarly, for our first-generation students transferring from one of our state's public 2-year institutions, Badger Promise provides similar tuition and fee benefits. Currently, nearly 5,000 Wisconsin residents have benefitted from Bucky's Tuition Promise and they hail from all 72 counties across our great state. UW-Madison recently announced Bucky's Pell Pathway, which goes further and guarantees grants, scholarships, and work study opportunities sufficient to meet the full financial need for all Wisconsin resident, Pell-eligible students. This includes not only tuition and fees, but housing, meals, books, and other educational expenses.

My predecessor testified in support of this legislation in 2017 when the scholarship was first created. We continue to be supportive of this state-funded merit-based program, as we view it as a critical tool for

Office of University Relations

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UW System schools to recruit, retain, and graduate the best and brightest high school students in Wisconsin. In recruiting these high-achieving students, our campus' biggest competitors are our Big 10 peer institutions, several of whom are armed with greater merit-based financial resources. While we have seen record-breaking numbers of applicants for freshman classes, our most competitive peers are seeing the same trend or using a vast set of resources to make it happen on their campus. This scholarship helps ensure that this state remains competitive in keeping high-achieving Wisconsin residents within our state, regardless of financial need. It is important that UW campuses continue to partner with state government on creative ways to incentivize these high-performing students to explore the vast array of public educational offerings in our state and to enroll in a University of Wisconsin system institution. As we continue to grow our commitment to affordability, it seems reasonable for policymakers to support Assembly Bill 67 by lifting the current sunset on the program so that it can continue benefitting high-achieving Wisconsin residents and our state's public institutions. Under the current program, students who are admitted to UW System campuses apply for the scholarship and this is awarded based strictly on merit, primarily using standardized test scores as one of the criteria. The awards are \$5,000 each and that is roughly half the amount for in-state undergraduate tuition at UW-Madison. Since the start of the program in academic year 2020-2021, 262 UW-Madison students have been awarded this scholarship and have been retained in our state

I would like to thank Senator Nass and Representative Green for authoring this legislation and supporting this program. Thank you again for the opportunity to provide testimony on the impact this legislation would have on UW-Madison, and I am happy to take questions at this time. If you have any questions, please reach out to UW-Madison Director of State Relations Crystal Potts at crystal.potts@wisc.edu or (608) 265-4105.

Fiscal Estimate - 2023 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 23-1636/1	Introduction Number AB-0067
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Description
 the award of Wisconsin Merit scholarships to University of Wisconsin System students

Fiscal Effect

State:

No State Fiscal Effect
 Indeterminate
 Increase Existing Appropriations
 Increase Existing Revenues
 Increase Costs - May be possible to absorb within agency's budget
 Decrease Existing Appropriations
 Decrease Existing Revenues

 Yes No
 Create New Appropriations

 Decrease Costs

Local:

No Local Government Costs
 Indeterminate

1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts
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Fund Sources Affected	Affected Ch. 20 Appropriations
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input checked="" type="checkbox"/> SEG <input type="checkbox"/> SEGS	

Agency/Prepared By	Authorized Signature	Date
UWS/ Mickie Krall (608) 262-9106	Renee Stephenson (608) 263-4422	3/1/2023

Fiscal Estimate Narratives
UWS 3/1/2023

LRB Number	23-1636/1	Introduction Number	AB-0067	Estimate Type	Original
Description the award of Wisconsin Merit scholarships to University of Wisconsin System students					

Assumptions Used in Arriving at Fiscal Estimate

Under current law, the UW System is required to award Wisconsin Merit Scholarships in the amount of \$5,000 to UW System students based on certain criteria. The scholarships are paid from proceeds of the normal school fund. Currently the program sunsets on April 1, 2023.

The bill would eliminate the April 1, 2023, sunset date for the Wisconsin Merit Scholarship program.

Long-Range Fiscal Implications

Since the program's inception, 299 \$5,000 scholarships have been awarded:

FY21 \$400,000 (80 scholarships)
FY22 \$525,000 (105 scholarships)
FY23 \$570,000 (114 scholarships)