



2015 SENATE BILL 491

December 29, 2015 – Introduced by Senators LASSA, C. LARSON, HARRIS DODD, L. TAYLOR, RINGHAND, WIRCH and VINEHOUT, cosponsored by Representatives SPREITZER, MEYERS, SINICKI, ZEPNICK, OHNSTAD, SARGENT, WACHS, SUBECK, BERCEAU, JOHNSON, JORGENSEN, BROSTOFF and DANOU. Referred to Committee on Universities and Technical Colleges.

1 **AN ACT to create** 20.235 (1) (fr), 39.51 and 227.01 (13) (Lw) of the statutes;
2 **relating to:** providing student loan assistance for individuals employed in
3 critical industry sectors, providing an exemption from rule-making
4 procedures, and making an appropriation.

Analysis by the Legislative Reference Bureau

This bill requires the Higher Educational Aids Board (HEAB) to make student loan assistance payments to certain individuals employed in sectors of industry that are critical to the state's economy and that offer employment with wages and benefits that provide for self-sufficiency. The bill requires the secretary of workforce development and the chief executive officer (CEO) of the Wisconsin Economic Development Corporation to identify the sectors. In addition, the secretary and CEO must consult with the following in identifying the sectors: the state superintendent of public instruction, the Board of Regents of the University of Wisconsin System, the technical college system board, and local workforce investment boards established under the federal Workforce Investment Act.

An individual is eligible for the payments if he or she was enrolled in an institution of higher education on or after the bill's effective date. In addition, prior to applying for the payments, the individual must have obtained a technical college embedded pathway certificate, technical college short-term, one-year, or two-year technical diploma, or an associate, bachelor's, or graduate degree. The individual must also have an outstanding balance on a student loan. Finally, within 18 months

SENATE BILL 491

1 **SECTION 2.** 20.235 (1) (fr) of the statutes is created to read:

2 20.235 (1) (fr) *Student loan assistance for critical industry sectors.* Biennially,
3 the amounts in the schedule for student loan assistance under s. 39.51.

4 **SECTION 3.** 39.51 of the statutes is created to read:

5 **39.51 Student loan assistance for critical industry sectors. (1)**

6 DEFINITIONS. In this section:

7 (a) “Institution of higher education” has the meaning given in s. 39.32 (1) (a).

8 (b) “Lender” means any person to whom a student loan is repayable, including
9 an agency, subdivision, or agent of the federal or state government with respect to
10 a student loan made under a federal or state student loan program.

11 **(2) ELIGIBILITY.** An individual is eligible for payments under sub. (4) if all of the
12 following apply:

13 (a) The individual was enrolled in an institution of higher education on or after
14 the effective date of this subdivision [LRB inserts date].

15 (b) The individual has submitted to the board a complete application and, at
16 the time of application, has an outstanding balance on any student loan made to the
17 individual.

18 (c) The individual obtained an embedded pathway certificate granted by a
19 technical college, a short-term, one-year, or two-year technical diploma granted by
20 a technical college, or an associate degree, bachelor’s degree, or graduate degree
21 prior to submitting the application under par. (b).

22 (d) The individual is employed in this state within 18 months after obtaining
23 the degree required under par. (c). in a sector of industry identified under sub. (5).

24 **(3) APPLICATION.** The board shall prescribe the form of the application required
25 under sub. (2) (b). Each application shall identify all of the following:

SENATE BILL 491**SECTION 3**

1 (a) All student loans made to the applicant for which there remains an
2 outstanding balance as of the date of the application.

3 (b) For each student loan identified under par. (a), the outstanding balance of
4 the loan as of the date of the application, the payment schedule for the loan, and the
5 scheduled maturity date of the loan.

6 (c) For each student loan identified under par. (a), the name of the lender and
7 the address for sending student loan payments to the lender.

8 **(4) PAYMENTS.** (a) Except as otherwise provided in this subsection, for each
9 eligible individual under sub. (2) from whom the board receives an application, the
10 board shall make 5 annual student loan payments of equal amounts to the
11 individual's lender as identified under sub. (3) (c). Subject to pars. (d) and (e), the
12 total amount of payments for an individual under this paragraph shall be equal to
13 20 percent of the outstanding balance of the individual's student loans, or \$15,000,
14 whichever is less.

15 (b) If the individual for whose benefit payments are to be made under par. (a)
16 has identified more than one student loan under sub. (3) (a), the board shall prorate
17 its payments among all student loans identified by the individual.

18 (c) If an individual pays the entire outstanding balance of a student loan prior
19 to the board making payments to the lender under this subsection, the board shall
20 pay directly to the individual the amounts that the board would have paid to the
21 lender.

22 (d) The board may not make a payment to an individual or the individual's
23 lender under this subsection unless the individual submits proof to the satisfaction
24 of the board that the individual is a state resident who is employed in a sector of
25 industry identified under sub. (5).

SENATE BILL 491

1 (e) All payments made by the board under this subsection shall be made from
2 the appropriation account under s. 20.235 (1) (fr). In each fiscal year, the board shall
3 determine the projected total amount of payments to individuals under this
4 subsection. If the moneys appropriated under s. 20.235 (1) (fr) are not sufficient to
5 provide the projected amount, the board shall prorate payments under this
6 subsection in the proportion that the moneys available bears to the projected amount
7 and shall notify the joint committee on finance that the appropriation under s. 20.235
8 (1) (fr) is insufficient to fully fund payments under this subsection.

9 **(5) CRITICAL INDUSTRY SECTORS.** The secretary of workforce development and the
10 chief executive officer of the Wisconsin Economic Development Corporation, in
11 consultation with the state superintendent of public instruction, the Board of
12 Regents of the University of Wisconsin System, the technical college system board,
13 and local workforce investment boards established under 29 USC 2832, shall
14 identify sectors of industry that are or, based on projections of at least 4 years, will
15 be critical to the state's economy and that offer employment with wages and benefits
16 that provide for self-sufficiency.

17 **(6) DISSEMINATION TO HIGH SCHOOLS.** The board shall prepare and distribute
18 informational and promotional material about the student loan assistance available
19 under this section and the sectors identified under sub. (5) to all private, public, and
20 tribal high schools in this state.

21 **(7) CONTRACTUAL DUTY.** Nothing in this section relieves an individual of any
22 contractual duty to a lender to make scheduled payments on a student loan.

23 **SECTION 4.** 227.01 (13) (Lw) of the statutes is created to read:

24 227.01 **(13)** (Lw) Identifies a sector of industry under s. 39.51 (5).

25 **(END)**