



State of Wisconsin
2025 - 2026 LEGISLATURE

LRB-0322/1

JAM:emw

2025 BILL

1 **AN ACT** *to create* 39.396 of the statutes; **relating to:** a school psychologist loan
2 program.

Analysis by the Legislative Reference Bureau

This bill creates a school psychologist loan program to be administered by the Higher Educational Aids Board (HEAB) for students who meet certain eligibility criteria, including enrollment at an institution of higher education in a program of study leading to a school psychologist career. Under the program, HEAB may award to an eligible graduate student a loan of up to \$10,000 annually for up to three years. HEAB must forgive 25 percent of the loan for each school year that the recipient is employed as a school psychologist in a rural county or urbanized area, as defined in the bill. “School psychologist” is defined in the bill as a licensed psychologist who practices in a school-based setting or an individual who is licensed as a school psychologist under rules promulgated by the Department of Public Instruction.

For further information see the state fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

BILL**SECTION 1**

SECTION 1. 39.396 of the statutes is created to read:

39.396 School psychologist loan program. (1) In this section:

(a) "Rural county" means a county that satisfies all of the following:

1. The county does not include any urbanized area.

2. Less than 25 percent of individuals residing in the county are employed in another county that includes an urbanized area.

3. Less than 25 percent of individuals employed in the county reside in another county that includes an urbanized area.

(b) "School psychologist" means a psychologist licensed under s. 455.04 (1) or (2) who practices in a school-based setting or an individual who is licensed as a school psychologist under rules promulgated by the department of public instruction.

(c) "Urbanized area" has the meaning given in 23 USC 134 (b) (7).

(2) The board shall establish a school psychologist loan program for students who meet all of the following requirements:

(a) Are residents of this state enrolled at least half-time as graduate students in an institution of higher education, as defined in 20 USC 1001 (a) and (b), located in this state.

(b) Are enrolled in programs of study leading to a school psychologist career.

(c) Have a grade point average of at least 3.0 on a 4-point scale or the equivalent.

(3) A student eligible for a loan under sub. (2) may be awarded loans of up to

BILL**SECTION 1**

1 \$10,000 annually for not more than 3 years, with a maximum of \$30,000 in loans to
2 a student under this section.

3 (4) (a) Except as provided in par. (b), loans under sub. (2) shall be repaid at an
4 annual interest rate of 5 percent.

5 (b) The board shall forgive 25 percent of the loan and 25 percent of the interest
6 on the loan for each school year the recipient is employed as a full-time school
7 psychologist by a public or private elementary or secondary school in an urbanized
8 area or in a school district in a rural county.

9 (5) The board shall deposit in the general fund as general purpose revenue —
10 earned all repayments of loans made under sub. (2) and the interest on the loans.

11 **SECTION 2. Nonstatutory provisions.**

12 (1) HIGHER EDUCATIONAL AIDS BOARD 2027-29 BIENNIAL BUDGET REQUEST. In
13 submitting information under s. 16.42 (1) for the purposes of the 2027-29 biennial
14 budget bill, the higher educational aids board shall include a request for funding for
15 the school psychologist loan program under s. 39.396.

16 **(END)**