

The seal of the State of Wisconsin is centered on the page. It features a central shield with a plow, a sheaf of wheat, and a book. Above the shield is a banner with the word "FORWARD". To the left of the shield stands a sailor, and to the right stands a miner. Below the shield are a barrel of grapes and a stack of lumber.

2001-2003 Biennial Budget Report

**STATE OF WISCONSIN
HIGHER EDUCATIONAL AIDS BOARD**

**CURRENT MEMBERS
OF THE
HIGHER EDUCATIONAL AIDS BOARD
JUNE 30, 2003**

PUBLIC-AT-LARGE

Linda Cross – Hortonville

INDEPENDENT COLLEGES & UNIVERSITIES

Ann Neviaser - Madison

Debra McKinney – Fond du Lac

Nicole Nelson – Madison

STATUTORY DESIGNATE

Elizabeth Burmaster

(Public Instruction Superintendent)

Designee: Sandra Dercole - Milwaukee

UNIVERSITY OF WISCONSIN SYSTEM

Gregory Gracz – Milwaukee

Steve Van Ess – Madison

Andre Jacque – Madison

WISCONSIN TECHNICAL COLLEGE SYSTEM

Barbara Manthei – West Salem

Mary Jo Green – Nekoosa

James Jordan – New Berlin

AGENCY ADMINISTRATORS

Sherrie Nelson

Acting Administrator

Marilyn Gillies

Management Specialist

Personnel/Payroll and Accounting

Lee Hellickson

IS Professional

Information Systems

BIENNIAL REPORT
2001 – 2003
STATE OF WISCONSIN
HIGHER EDUCATIONAL AIDS BOARD

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State of Wisconsin
Higher Educational Aids Board

James E. Doyle
Governor

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October 10, 2003

The Honorable James E. Doyle
Governor of the State of Wisconsin
And
Members of the Legislature:

Submitted herewith is the 2001-2003 biennial report of the State of Wisconsin Higher Educational Aids Board. This report has been prepared pursuant to Section 15.04 (1) (d) Wisconsin Statutes.

This report provides an analysis of the agency's 2001-2003 activities and accomplishments and describes goals and objectives for the 2003-2005 biennium.

Sincerely,

Sherrie Nelson
Acting Administrator

AGENCY STRUCTURE

The Higher Educational Aids Board is a part-time independent policy- making board composed of eleven members appointed to serve at the pleasure of the Governor. The Governor appoints one member from the Board of Regents of the University of Wisconsin System; one member from the State Board of the Wisconsin Technical College System; one member who is a trustee of an independent college or university to represent such independent institutions; one student and one financial aid administrator each from within the University of Wisconsin System, Wisconsin Technical College System Board and independent institutions; one citizen member to represent the general public; and the state superintendent of public instruction.

The Executive Secretary is appointed by and serves at the pleasure of the Governor. The Executive Secretary makes policy recommendations to the Board; carries out policy directives from the Governor, Legislature and Board; and is responsible for initiating and carrying out all administrative direction and responsibilities of the agency. All other permanent agency staff are in the classified service. During the 2001-2003 biennium, total agency staff did not exceed 13 individuals. The functional organizational chart of the agency reflects the most recent structure.

AGENCY FUNCTIONS

The agency's major operational responsibilities during 2001-2003 fell into four distinct categories, which include grant/scholarship programs, student loans, reciprocal agreements and tuition capitation programs. First, the administration of the state's student grant/scholarship programs includes the expenditure of over \$136,843,751 during 2001-2003. All of these funds were secured from General Purpose Revenue tax funds (except for \$2,542,748 in federal funds). The majority of these programs are based upon the federally determined student and/or parental contributions, and hence the financial need of the student recipients. Total awards exceeded 120,521 from over 402,712 Wisconsin resident undergraduates who applied for assistance during the biennium. Many, of course, applied for and were awarded assistance for both years.

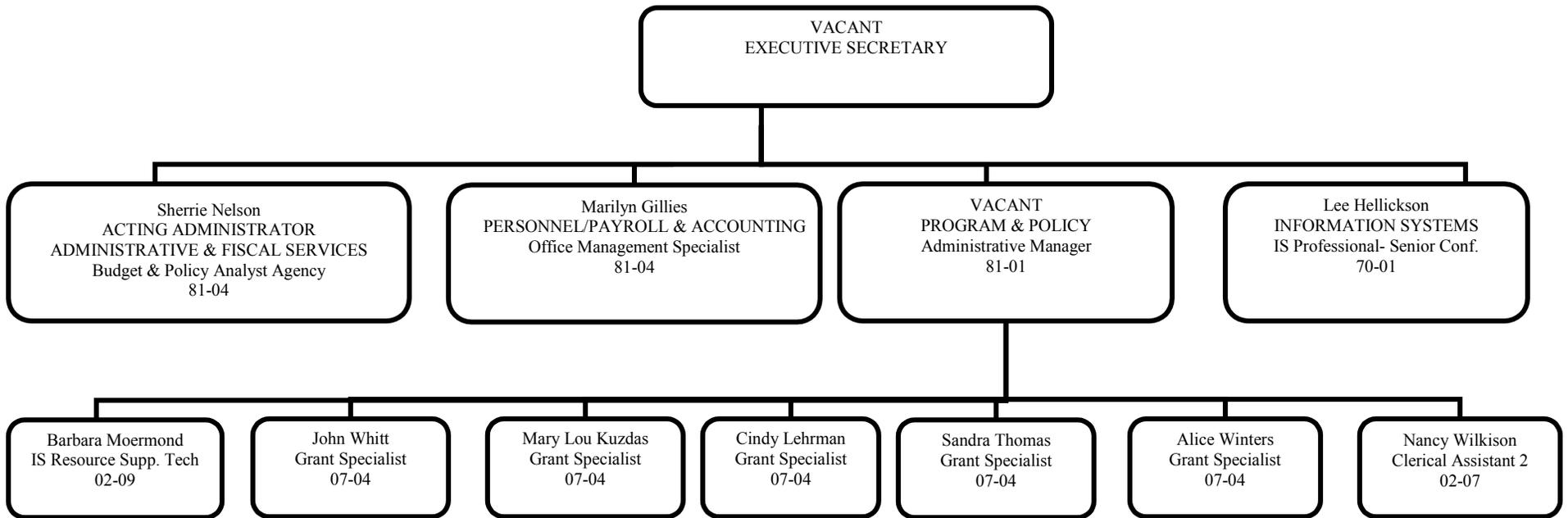
HEAB continued the collection of outstanding loans for the following programs: Independent Student Grant (Loan); Minority Teacher Loan; Nonguarantee Loan; Nursing Student Stipend Loan; Paul Douglas Scholarship (Loan); and the Wisconsin Health Education Assistance Loan (WHEAL). Under the largest program, the WHEAL, all accounts were in repayment status as of June 30, 2003. During the 2001-2003 biennium, the number of borrowers with outstanding principle owed was reduced from 76 to 40, and the principle owed from \$1,382,479 to \$1,056,730.

In addition to student grants/scholarships and the collection of loans, HEAB's third major function continues to be the administration of the Minnesota-Wisconsin Reciprocity Program in

conjunction with the Minnesota Higher Education Services Office. A total of 11,074 Wisconsin residents participated in the program in 2001-2002 by enrolling in Minnesota public institutions. The 2002-2003 total is expected to be approximately 11,074 residents.

Two tuition capitation agreements comprise the last major operational responsibility of the agency. The Board has tuition capitation agreements with both the Medical College of Wisconsin and Marquette University School of Dentistry. These agreements provide funds to the two institutions to train Wisconsin residents as physicians and dentists. During 2001-2003 the total appropriation on behalf of the Medical College was \$8,210,200 and \$2,859,200 for the School of Dentistry for resident student tuition capitation purposes.

**STATE OF WISCONSIN
HIGHER EDUCATIONAL AIDS BOARD
JUNE 30, 2003**



PRESENT BOARD POLICIES

In 1968, a rational and policy framework for Wisconsin's Student Financial Aid Structure was established. Today, in 2001, the rational and policy framework continue to operate. Essentially, there are two broad goals and seven operational policies which serve to implement the broader goals. The two broad goals, Universal Educational Opportunity and Educational Diversity or "Freedom of Choice," are looked upon as educational goals which can be achieved in part through the financial aid structure.

The first goal is to eliminate financial barriers and thereby insure an educational opportunity for all Wisconsin citizens commensurate with their desires and abilities. This goal suggests that it is the primary purpose of the student financial aid structure to insure an educational opportunity for all citizens commensurate with their desires and abilities regardless of their financial circumstances. This goal does not imply that the same educational experience need be provided to all students, but it does require that all students be given an equal opportunity to pursue an education consistent with their individual abilities, interests and ambitions. It has been recognized that if society is to achieve the goal of equality of opportunity it must first insure the equality of educational opportunities. As a result of the technological revolution, the knowledge explosion, and the development of a highly skilled and complex society, education has become the most important key to the "American Dream." The educational investment in human resources has a direct impact on the economic and technological development of the nation. This circular relationship between providing universal educational opportunity results in benefits which accrue to society in addition to those which accrue directly to the individual in terms of personal fulfillment and economic security. Every citizen has a right to participate in the economic, social, and political aspects of our society. Education provides the opportunity to exercise this right of full participation and, consequently, must be made equally available to all.

The second goal of the Financial Aid Structure is to support existing Educational Diversity by allowing students the freedom to choose among the various educational offerings. Educational Diversity implies a wide range of academic environments, programs, and course offerings as well as diversity in sponsorship e.g. public and private. A comprehensive educational environment is one which offers technical training in addition to collegiate programs not of the technical nature; one and two year programs as well as four year programs. The diversity issue generally concentrates on the need to preserve the strength and vitality of private schools of higher education for the following reasons:

1. To assure to students the opportunity of selecting an institution on such basis as academic program, campus environment, size, etc..
2. To stimulate healthy competition in seeking distinctions, whether by innovations in program or by quality achievements.
3. To maximize the use of educational resources including faculties, facilities, etc.

In order to implement the two goals described , the following operational policies were established to serve as the guideposts of the Financial Aid Structure.

1. The first operational policy designed to implement the goals of the Financial Aid Structure is that **financial aid be distributed on the basis of the student's financial need** in order to maximize financial resources and thereby insure an educational opportunity to the greatest number of students.
2. The second operational policy designed primarily to implement the goal of educational diversity or freedom of choice is **equalization**. Equalization supports diversity and insures freedom of choice by placing all students in the same relative position vis' a vis' governmental instructional subsidies.
3. The third operational policy, **awarding for excellence**, requires that academic excellence be recognized.
4. The fourth operational policy, **shared responsibility**, recognizes the multiple responsibility of the student, the student's parent/s or spouse, government, and private sources to contribute to educational costs.
5. The fifth policy, **recognizing the unique financial needs of the disadvantaged**, suggests that it is a responsibility of the financial aid structure to recognize and relate to the unique financial needs of the economically disadvantaged.
6. The policy, **maximization of resources**, emphasizes the need to maximize the contribution of financial aid resources provided by all sources including students, spouses, parents, government, institutions, and private sponsors.
7. The last policy, **administrative coordination and simplicity**, recognizes the importance of providing coordinated, equitable, efficient, and responsive administrative framework designed to implement the other policies enumerated above. The enactment of the State's financial aid programs and subsequent assignment of these programs to the Higher Educational Aids Board points out the desirability of insuring an orderly development and coordination of the State's Financial Aid Structure as well as equitable, efficient, and responsive distribution mechanisms. In order to best serve the body of Wisconsin students who are attending a wide range of schools including public and private, in-state as well as out-of-state, two year programs and four year programs, coordinated State financial aid programs are essential. Meeting this requirement and, in addition, fulfilling the Legislative mandate of providing an annual review of the State's Financial Aid Structure, suggests that a single governmental body should be responsible for the administrative coordination of the State's financial aid programs.

To summarize, the State Student Financial Aid Policy Framework is as follows:

I. Goals of the Financial Aid Structure

- A. Removal of all financial barriers in order to insure an Educational Opportunity for all Wisconsin citizens commensurate with their desires and abilities.
- B. Support of Educational Diversity by allowing students the freedom to choose educational programs on the basis of their interests and abilities.

II. Operational Policies

- A. Distribution of student financial aid on the basis of the student's financial need in order to maximize financial resources and thereby insure an educational opportunity to the greatest number of students.
- B. Equalization of the instructional subsidy paid on behalf of students thereby insuring maximum freedom of choice.
- C. Recognition of academic excellence.
- D. Recognition of the multiple responsibility of the student, the student's parent/s or spouse, government, and private sources to contribute to educational costs.
- E. Recognition of the unique financial need of the economically and educationally disadvantaged.
- F. Maximization of the financial aid resources provided by all sources including students, the student's parent/s or spouse, government, institutions, and private sponsors.
- G. Implementation of these operational policies through a coordinated, equitable, efficient and responsive administrative framework.

A BRIEF HISTORY OF THE HIGHER EDUCATIONAL AIDS BOARD

The Higher Educational Aids Board (HEAB) is now 39 years old having been created by statute on June 30, 1964 as the Commission for Academic Facilities. The original purpose of the board was to distribute federal campus construction funds. In September 1965, the name of the agency was changed by statute to the State Commission for Higher Educational Aids, with the present name being designated two years later. Along with the change of name came the assignment of the first grant and scholarship programs funded by the State. These programs were the outgrowth of the Governor's Scholarship and Loan Committee of 1965. The two most important policies followed in the creation and the initial student aid programs were those of student financial need for determination of the eligibility and award amount, and that aid should be available to Wisconsin residents attending both public and private institutions of higher education. The Board also received responsibility for the State Student Loan Program in 1966 with the loans being made directly from State controlled funds.

The first ten years of the Board's existence can be viewed as a period of experimentation as well as growth. The agency became responsible for administering the federal Guaranteed Student Loan Program during this period as the federally funded construction and educational equipment programs came to an end. Many short-lived State programs were approved, operated for a few years and then were discontinued, all prior to 1976. They included virtually every concept of student assistance with the exception of employment. There were grants and loans for professional degree students; teacher training stipends and scholarships with repayment provisions if teaching wasn't actually done; and grants for minority and disadvantaged students. In all, eight programs were started and were either discontinued or merged into successor programs.

The effective end to this decade of change came with legislation that for the most part followed the findings of a Legislative Council Committee, which was requested by the Co-chairs of the Joint Committee on Finance (JCF) in 1974-1975. Programs were ended or merged and the grant structure the Board still administers today was put into place. Two large grant programs tied into the federal financial aid structure were the central feature, flanked by several smaller grant programs targeting additional aid to the most needy. Within a few years the State Loan Program was removed from State funds and student loans were made from bond issue proceeds. This program grew rapidly along with the parallel increase in private lender loans. By 1980, a second large loan program was created from bond funds, the Wisconsin Health Education Assistance Loan (WHEAL), with assistance going to dental and medical students enrolled in Wisconsin institutions.

The second decade came to an end in 1984 when the agency's Board, sitting in its capacity as the Board of the Guaranteed Loan Corporation, voted to make the corporation independent of both the Higher Educational Aids Board and State Control. This was done and the agency was left with the grant programs, responsibility for the two loan programs and the number of staff returned to its level of 1966. Within the next two years, bond authority for the loan programs ran out and the agency withdrew from the business of making loans under these programs. This

wasn't a problem for students since private lenders continued to make more loans than ever under both programs.

Since 1984, the agency has concentrated on better delivery of student grant aid and the collection of the remaining student loans for which it is responsible. In addition, several new aid programs have been added to the agency's mission and the concept of employment and forgiveness of loan repayment has returned. During 1991, the remaining State Student Loans were sold to a Cleveland, Ohio bank and the State's general fund received approximately \$34,000,000 during 1991 and 1992 from the sale. Today HEAB has limited responsibility for these loans, which were made between 1973 and 1986.

In 1995, the biennial State Budget included language to eliminate the HEAB and transfer its respective staffs, functions and appropriations to a new Department of Education, effective July 1, 1996. The Council on Financial Aids was also to be eliminated effective January 1, 1996. 3.85 positions were also eliminated from HEAB as a result of the proposed merger of HEAB with a new Department of Education. At the same time that these positions were deleted from HEAB, the agency was assigned two new program responsibilities those being screening for applicants delinquent in Child Support Payments and the administration of the former University of Wisconsin's Minority Teacher Loan Program. No positions were restored to administer these new functions.

On March 29, 1996 the Supreme Court ruled that the provisions of the 1995-97 state budget relating to restructuring the governance of the Department of Public Instruction (DPI) were unconstitutional. The provisions relating to the elimination of HEAB and the transfer of their functions to the new Department of Education were neither included among the provisions challenged by the case, nor addressed by the Supreme Court in its ruling. According to a report by the Fiscal Bureau, Act 27 references to the New Department of Education which were not affected by the Court's decision were to be interpreted as DPI. Therefore, DPI was to be responsible for the administration of HEAB programs as funding of these programs were placed under DPI's Chapter 20 appropriation schedule.

The JCF recommended that prior to July 1, 1996, the Department of Public Instruction enter into a memoranda of understanding with the Higher Educational Aids Board in order for the Department of Public Instruction to provide funding and staff in 1996-1997 in order to carry out the functions of the board. Joint Finance also created a project position to serve as the Executive Secretary for the Higher Educational Aids Board. In Executive orders #283 and #287, Governor Thompson established a Higher Educational Aids Council to oversee the implementation of the memorandum of understanding between the Department of Public Instruction and the Higher Educational Aids Board to carry out the functions of the Board and advise Board staff on the administration of the financial aid appropriations pursuant to Section 20.235 of the Wisconsin Statutes. However, the legislature recreated the board in 1997 Wisconsin Act 27 and restored the Executive Secretary position. The Deputy Secretary position was also restored in the Budget Adjustment Bill.

Included in the 1997-1999 Biennial Budget was one new financial aid program, the Teacher Education Loan Program, and a provision which expanded HEAB's tuition grant program to

include students enrolled at tribally-controlled colleges in the state. HEAB was also given administrative responsibility for the Educational Approval Board (EAB). In December of 1997, the Joint Committee on Finance approved 1.0 GPR program assistant 3 position under Section 13.10 Request for Supplemental Funds and Position Authority. The responsibilities of this position included administering the new teacher education loan, processing financial aid refunds and providing assistance to the information systems programmer by performing various functions such as assisting in database development, maintaining the agency's web site and transferring data to and from the mainframe computer.

A number of goals were established in 1997 and efforts were made to fulfill them. Communication throughout the higher education community was expanded through the use of monthly memos, visits made to each of the colleges and universities throughout the state, training workshops established for financial aid administrators, the formalization of workshop presentations for high school counselors, and the establishment of an agency web site. The use of technology was expanded. Tapes were no longer accepted, the use of FTP sites was encouraged, the use of paper was reduced, and much of the day to day processing was converted to an electronic mode. Smaller programs were converted from mainframe applications to PC based programs. All of these efforts contributed to quicker turn around time and better service provided to customers.

A reorganization of the physical environment of the agency began in 1997 as well. Documents, space, processes, and procedures were examined and reorganized. This created a much more positive, efficient, and productive working environment.

A new Minnesota-Wisconsin Reciprocity Agreement was negotiated and approved in August of 1997. The JCF met on August 26, 1997, and approved changes that were effective July 1, 1998.

Statutes related to the Academic Excellence Scholarship (AES) were revised so that the grade point average necessary for continued AES eligibility must be an absolute 3.000 rather than a 3.0 rounded up from 2.99. The statutes were also changed to reflect that colleges and universities must "agree to participate until further notice" rather than "agree to participate each year."

The Federal SSIG program (which partially funds the WI TIP Grant) was renamed the Leveraging Educational Assistance Partnership Program (LEAP). The program criteria did not change from what it was under SSIG. However, if funding is greater than \$30 million, a Supplemental LEAP or SLEAP will become effective where the match requirement for funds above the \$30 million will change to three to one. The SLEAP funds can also be used for a broader range of purposes compared to the LEAP funds.

Included in the 2001-2003 Biennial Budget was a new financial aid program, the Nursing Student Loan Program which was to be implemented in the 2002-2003 academic year.

The 2003-2005 Executive Budget contained a provision to eliminate the Higher Educational Aids Board and the Executive Secretary position and transfer HEAB's administrative duties and programs to the UW System Board of Regents effective July 1, 2004. Eight positions would be eliminated and four positions would transfer. Of the four positions, two would transfer to the

UW and two positions would be provided to DOA to ensure fair treatment by the UW for the programs being administered. The proposal also included transfer of the Minnesota-Wisconsin reciprocity program from HEAB to the UW System Board of Regents, and the transfer of administration of contracts with the Medical college of Wisconsin and the Marquette University Dental School from HEAB to the UW System Board of Regents. Upon review of the Executive Budget, the Joint Committee on Finance deleted the provision and maintained HEAB and its responsibilities under current law. Final approval of the budget, however, did include the loss of the Administrative Manager position.

**PERFORMANCE AND OPERATION OF
HIGHER EDUCATIONAL AIDS BOARD
DURING 2001-2003**

It is recognized that the staff of the Higher Educational Aids Board (HEAB) is small in number, yet the responsibilities the board has is extremely important to Wisconsin residents seeking a postsecondary education. Due to an extraordinary level of expertise and dedication, HEAB staff members continue to be able to meet the high expectations placed upon them by customers, the Administration and the Legislature. HEAB has been able to successfully carry out its mission to ensure that all students be provided equal access and diversity in obtaining a higher education and make certain the funds for each program HEAB administers are distributed in a fair, equitable, and timely manner.

Over the two-year biennial period \$189,094,877 was distributed to 145,018 Wisconsin students through programs administered by HEAB. Programs administered by HEAB served 36% of all Wisconsin resident undergraduates. Undergraduate need-based state grant aid awarded by Wisconsin through HEAB was ranked 16th in the country in 2001-2002. Wisconsin, when compared to other states throughout the country, continues to maintain a similar proportion of aid for college students that it did ten years ago.

The expansion of communication throughout the higher education community in order to better serve our customer, the student, continued to be a priority for the agency. Improvements to the monthly memos, training workshops, visits, presentations, agency web site and various other forms of communication were made as well as efforts to developed relationships with other agencies and organizations in order to provide Wisconsin residents with as much financial assistance related information as possible. The policy and procedure manual is used by financial aid offices and has proven to be very helpful in effectively administering the various programs and ultimately better serve our customers.

The expanded use of more advanced technology in 2001-2003 continued to change how the agency operated. The notification lists, error reports and non-resident reports are all available online. The small programs, currently on PC based systems are in the process of being updated. More progress has been made on the development of an electronic application for the Minnesota-Wisconsin Reciprocity Program.

Various other accomplishments the agency realized over the past two years include:

1. Administrative Rules relating to the Talent Incentive Program Grant (TIP) were revised to update and remove obsolete language. An emergency rule allowing the Executive Secretary to make an exception to TIP recipients affected by their active duty military service. This change was successfully implemented.

2. The Tuition Grant maximum award was changed to from \$2,350 to \$2,500 for academic year 2003-2004.
3. The implementation of the newly established Nursing Student Loan Program accomplished.
4. The Minority Undergraduate Retention Grant Effectiveness Report was submitted.
5. Statutory maximum award for the Wisconsin Higher Education Grant UW systems was increased to \$2,500.
6. A major revision of the Employee Handbook was approved and distributed.
7. Screening for Selective Service Registration has been implemented in our mainframe and PC based programs.
8. Agency staff, under the direction of the Systems Manager, reviewed and revised computer programs and applications in order to provide better service to our customers and to realize cost savings.
9. HEAB began to regularly send out news releases related to various issues e.g. recommended approaches to scholarship searches and encouraging students to apply for financial assistance early.
10. A Return of Funds policy was implemented.
11. Rules for the Teacher Education Loan and the Teacher of the Visually Impaired Loan Programs were approved and implemented.

The agency has had a very productive two years. Many goals were once again accomplished. A number of new initiatives were begun. It is expected that they too will be fully implemented within the next biennial period.

PROGRAMS CURRENTLY BEING AWARDED

	2001-2002		2002-2003	
	DOLLARS SPENT*	NUMBERS OF AWARDS	DOLLARS SPENT*	NUMBER OF AWARDS
CAPITATION				
Marquette University School of Dentistry	\$1,167,000	113	\$1,167,000	114
Medical College of Wisconsin	\$4,041,446	408	\$4,084,968	405
GRANTS				
Handicapped Student Grant	\$107,049	68	\$96,827	63
Indian Student Assistance Grant	\$748,575	818	\$798,865	876
Minority Retention Grant - Independent Colleges & Universities And Tribal Colleges	\$358,746	274	\$359,584	259
Minority Retention Grant - WTC System	\$361,796	348	\$378,266	399
Talent Incentive Program Grant	\$5,468,556	4,313	\$5,978,126	4,611
Wisconsin Higher Education Grant -UW System	\$19,380,141	19,149	\$22,213,203	20,505
Wisconsin Higher Education Grant - WTC System	\$14,157,863	20,246	\$14,369,851	20,112
Wisconsin Higher Education Grant - Wisconsin Tribal Colleges	\$399,776	290	\$402,789	284
Wisconsin Tuition Grant	\$21,141,847	11,089	\$22,431,409	11,673
LOANS				
Minority Teacher Loan	\$238,662	109	\$240,007	108
Nursing Student Loan	\$0	0	\$449,499	327
Teacher Education Loan	\$240,000	136	\$271,500	168
Teacher of the Visually Impaired Loan	\$55,066	7	\$85,946	13
RECIPROCITY**				
MN-WI Reciprocity Program ***	\$20,895,356	11,074	\$20,895,356	11,074
SCHOLARSHIPS				
Academic Excellence Scholarship	\$3,021,312	2,781	\$3,088,490	2,851
Totals	\$91,783,191	71,223	\$97,311,686	73,842

PROGRAMS NOT CURRENTLY BEING AWARDED (ONLY IN REPAYMENT) AS OF JUNE 30, 2003

	ISG	NSSL	PD	WHEAL
Defaulted	48	71	3	0
Deferred	0	1	1	0
Enrolled	1	2	2	0
Forbearance	0	0	0	0
Forgiveness	0	16	7	0
Forgiven in Full	654	934	154	0
Interim	0	0	0	0
Paid In Full	72	86	19	1,573
Repayment	15	73	26	40
Total Refund/Withdrawn	11	19	1	0
Total Recipients	801	1,202	213	1,613

Note:

ISG: Independent Student Grant (Loan). NSSL: Nursing Student Stipend Loan. PD: Paul Douglas Scholarship (Loan).

WHEAL: Wisconsin Health Education Assistance Loan

*These figures include refunds from the previous year received after the books were closed as well as partial or whole refunds received after the end of vouchering for that academic year.

**Final Figures not available.

***Assumed 2001-2002 for 2002-2003 MN-WI Reciprocity Program.

**MAJOR PROGRAM GOALS AND OBJECTIVES OF THE
HIGHER EDUCATIONAL AIDS BOARD
FOR THE 2003-2005 BIENNIUM**

The Higher Educational Aids Board (HEAB) will continue to pursue its long-term commitment of providing opportunities for educational access and diversity in obtaining a higher education. It will continue to review its program policies and operational objectives for all state aid programs. HEAB will strive to expand its outreach in order to increase the awareness and knowledge of postsecondary educational opportunities and available financial assistance programs available through the Higher Educational Aids Board.

Goals and objectives that have been set for the Higher Educational Aids Board to carry out over the next two years are extensive. The areas of focus will include addressing changes specific to the 2003-2005 biennial budget; reviewing program policy and potentially pursuing statute and/or rule changes as well as follow through with statutory and administrative rule changes that have already been submitted; the examination of an expansion of reciprocity programs with other states; continuation and implementation of the Reciprocity online application; formalizing internal policies and procedures; continuation of implementing technological changes; revision of HEAB's website to include section specifically for students/parents; and the continuation of staff training and alternative work patterns.

The process of reviewing program policy and potentially pursuing statute and/or rule changes has begun. HEAB will also follow through with statutory and administrative rule changes that have already been submitted. Statutory revisions that were submitted to the Law Revision Committee in 1998, after a review of statutory language pertaining to HEAB, were sent on to the Legislative Reference Bureau for drafting and presentation to the Law Revision Committee. The changes include the deletion of obsolete language and minor revisions. The Law Revision Committee reviewed the revision in October and voted to introduce the proposal. It is the intention of the board to follow the process through, providing whatever is necessary until the changes are enacted.

Currently HEAB has a reciprocal agreement with the state of Minnesota along with various agreements between some Technical Colleges and neighboring counties in bordering states. The board will examine whether or not to expand participation in reciprocal agreements with other states or to expand existing agreements.

The policy and procedure manual that was developed for the aid community is continuing to be a very important resource. It is expected that an internal policy and procedure manual to be used by HEAB staff members will be completed in order to create efficiencies and consistency as well as serve many other purposes.

Given the size of the agency the reliance on technology in order fulfill responsibilities has been vast. Every effort will be made to continue to evaluate and implement technological changes in order to provide better service to our customer, the student, and to again create efficiencies

in day to day operations. Given that the mainframe system in which we rely on heavily is obsolete (built in the 1970's) we will continue to pursue resources for a system upgrade.

Since more colleges and universities are moving to individual student accounts, HEAB will investigate the option of electronically transferring funds what is referred to as EFT. The agency will continue to review all of its computer applications and make changes as necessary in order to provide the best service possible.

HEAB has always collected and analyzed data related to postsecondary education student financial aid. Reports that reflect some of this data are developed and distributed annually.

The agency's Employee Handbook will continue to be updated as needed.

The agency will continue to make a significant effort to provide training for staff members during the next two years. The agency also encourages the utilization of Alternative Work Patterns (AWP) such as flex-time, part-time, and shared time schedules to increase productivity, extend services, reduce absenteeism, improve employee morale, allow for employee development and to maximize energy conservation through ride sharing and use of mass transit systems. The agency recognizes AWP schedules may provide opportunities for individuals to productively utilize their skills, talents, and abilities. It recognizes that a traditional full-time work schedule may not meet the needs of individuals whom, due to age, health or family circumstances, find such a schedule in conflict with responsibilities outside of work. The agency has an AWP policy that is supported by AWP related statutes and rules.