

**State of Wisconsin**  
**Higher Educational Aids Board**

**Meeting Minutes**  
**February 28, 2003**

**Board Members Present:** Steve Van Ess, Mary Jo Green, Debra McKinney, Sandra Dercole, Andre Jacque, James Jordon, Gregory Gracz, Ann Neviasher

**HEAB Staff Present:** Jane Hojan-Clark, John Whitt, Mary Lou Kuzdas, Nancy Wilkison

**Others Present:** Rolf Wegenke, WAICU; Paul Nelson, WAICU; Tom Heffron, WTCSB; Ben Dobner, MSOE; Danielle Kupkovits, MSOE; John Stott, Legislative Fiscal Bureau; Kristen Hendrickson, UW System Administration; Sharon Wilhelm, UW System Administration; Stephanie Hilton, United Council; Robinson J. Binau, Department of Administration; Bob Hanle, Department of Administration; Timothy Casper, Office of the Governor; Paul Spraggins, DPI Retired; Margaret Zitzer, Marquette University.

Vice - Chair Van Ess called the meeting to order at 9:00 a.m.

**APPROVAL OF MINUTES:**

The motion was made by Sandra Dercole to approve the minutes of the October 18, 2002 meeting and was seconded by Debra McKinney. The minutes were approved. Ann Neviasher moved to approve the minutes of the November 20, 2002 Board phone conference with a change made in the time held as 12:35 p.m. instead of 12:35 a.m. It was seconded by Andre Jacque and approved.

**REPORT OF THE EXECUTIVE SECRETARY:**

The Board was updated on new activity. HEAB's website shows almost 67,000 Successful Hits in January with an average of 2,151 Hits Per Day. Now that data has been collected for one year we can see that in that year almost 83, 000 visits have been made to the site, an average of about 7,000 each month.

A Press Release to all Wisconsin media was sent out on February 17th . It was a reminder for parents and students that it is time to begin applying for financial aid for the upcoming 2003-04 academic year.

In the 1997 budget there was statutory language passed that required some agencies to go through their statutory language to eliminate or revise any obsolete language. The changes that were submitted in 1997 may go to committee this spring. Essentially the changes rearranged the various program names to coincide with their actual working names.

Annually there is a Minnesota-Wisconsin Reciprocity Memorandum of Understanding that is agreed upon and signed by each state. HEAB has been in contact with Minnesota and is close to an agreement on some minor changes to be made before submitting the memorandum to the Joint Finance Committee.

**BOARD REPORT #03-12 2001-02 MINNESOTA-WISCONSIN RECIPROCITY PROGRAM DATA**

Program Data is collected annually and a handout showed cumulative information going back to 1973. Jane reiterated that the tuition reciprocity program is not a revenue generating program for

either state, but rather a tool to provide an opportunity for residents on both sides of the border to attend institutions on the opposite side. In 2001-02 there was a slight decrease in the number of students studying in Wisconsin and a slight increase in students studying in Minnesota. The amount paid to the state of Minnesota was \$302,741. Additional tuition paid by Minnesota students and remitted to the General Fund was \$6,535,256.

#### **BOARD REPORT #03-13 WHEAL PROGRAM STATUS REPORT FOR FISCAL YEAR 2002**

The Wisconsin Health Education Assistance Loan program (WHEAL) was set up to help student health professionals finance their education. There is no new funding in this program so there are no new awards given out, but the collections are still being made. We currently have 54 students still in repayment. During FY02, WHEAL borrowers paid HEAB a total of \$852,864. Of this amount \$161,659 was the resulting interest payment on loans and \$691,205 on the principal.

#### **BOARD REPORT #03-14 WISCONSIN STATE STUDENT FINANCIAL AID DATA FOR 2001-02**

Each year HEAB goes out to the aid community with a survey to collect information about need based and non-need based student financial aid for Wisconsin resident undergraduates. The colleges and universities within the four different Wisconsin Higher Education Sectors provided the majority of the information reflected in this report. The four sectors of colleges and universities include the Independent Colleges and Universities, the Tribal Colleges, the University of Wisconsin System, and the Wisconsin Technical College System. The majority of the cost of education is met by assistance that is based on financial need. The majority of need based and non-need based assistance combined is funded by federal loan assistance.

#### **BOARD REPORT #03-15 STATUS OF 2002-03 APPLICANTS AND PROGRAMS**

WHEG-UW has committed 135.51% (\$30,096,773) of its appropriation with 24,444 awards. This is 1,758 more awards than this time last year. WHEG-WTC gave out 114 more awards than the previous year and has committed 169.90% (\$24,376,177) of its appropriation with 28,502 awards. The Wisconsin Tuition Grant committed 116.85% (\$26,321,442) of its appropriation with 11,985 awards, 204 more than the previous year. The number of applicants through February 25, 2003, for 2002-03 is 204,725. Last year at this time there were 189,292 applicants. Applicants for 2001-02 totaled 193,436.

#### **BOARD REPORT #03-16 2003-05 BIENNIAL BUDGET TALKING POINTS**

Financial need of Wisconsin college students continues to grow. The need to expand Wisconsin's trained workforce continues to grow. In order to provide access for Wisconsin residents to a college education or training beyond high school, financial assistance programs administered by HEAB for postsecondary education should become a priority. The Board received the 2003 Report on Financial Aid Programs for Higher Education in the State of Wisconsin. This report provides information on student college financial assistance available to Wisconsin residents. It was prepared in order to improve program monitoring and management through the use of performance outcome data. It also informs citizens and other interested parties about the performance of student financial aid programs in Wisconsin. This report has been an effective tool used in discussions with state Legislators.

The Governor's Budget recommendations were handed out to the Board. Point number one is the elimination of the Higher Educational Aids Board state agency and its governing Board. Four out of 12 positions will be maintained, two dealing with programming issues and two management positions. Those four positions, all aid programs, and funding will be transferred and housed at the UW Systems Administration. The second item the Governor is recommending is that the WHEG-UW program will be increased 24.5% in the first year of the biennial period and 28.5% in the second year. These increases will be generated by student revenue rather than through the GPR. The third recommendation affects the Dental Education Contract by reducing the appropriation for Wisconsin residents by 50%. Joint Finance will be holding hearings regarding Governor Doyle's budget. It is unclear at this point what the recommendation for HEAB might be. From Joint Finance it moves on to the Legislature for a vote and then back to

the Governor for his signature. After a lengthy discussion, chair Steve Van Ess summed up the concerns of the Board in three points: First the Board is concerned about the entire state's diverse programs coming under the control of a single sector. Secondly, there is concern that four people doing the work previously done by twelve would mean a loss in services and possible aid for Wisconsin's students. And lastly, the Board felt there is a need to retain a governing board for policy and program development as well as follow-through in the design and implementation of the programs through adherence to state statute requirements. No action was planned.

#### **BOARD REPORT #03-17 2003-04 WISCONSIN HIGHER EDUCATION GRANT AND WISCONSIN TUITION GRANT PROGRAM FORMULAS**

The WHEG and WTC program formulas were presented for Board consideration. The general structure of the WHEG formula is outlined in the State statutes. However, the components may be adjusted to incorporate changes in the cost of education, the Federal Methodology (which determines the Expected Family Contribution) and the number of applicants (which relates to the number of students who enroll and the available funding).

##### WHEG-UW

Five formula simulation options were offered for Board consideration. Simulation #1 forms the baseline using last year's applicant pool and this year's formula. Simulation #2 increases the student budget by 8% and uses a 47% formula multiplier limiting the award to the statutory maximum of \$1800. Simulation #3 is the same as #2 but uses a 50% formula multiplier. Simulation #4 increases the student budget by 11.5% and has a 47% multiplier. Simulation #5 is the same as #4, but uses a 50% multiplier and Simulation #6 is the same as simulation #2 except the multiplier is reduced to stay within the statutory maximum WHEG award of \$1800. The UW-Administration recommendation was Simulation #2. The logic being that the tuition would reflect the current academic year tuition level. It would maintain the level of support that currently exists, the 47 percent. With the knowledge at hand it can be seen that Simulation #2 comes the closest to the 50 percent goal. Jane asked the Board to approve Simulation #2 even with the potential that students might be put on a wait list. Andre Jacque moved to adopt Simulation #2 and Gregory Gracz seconded the motion. A unanimous vote approved the recommendation.

##### WHEG-WTC

The Wisconsin Technical College System Board recommended that HEAB increase the student budget used for the WHEG-WTC formula from \$7,500 to \$8,000 to more accurately reflect real student costs. Andre Jacque moved to postpone the final vote until a teleconference to be held at a later date. Mary Jo Green seconded the motion and it was unanimously approved.

##### WHEG-TRIBAL

Tribal Colleges recommend maintaining the current formulas now in place. HEAB supports this recommendation. Andre Jacque moved to accept the only formula put forth and it was seconded by Sandra Dercole. The recommended formula was unanimously approved.

##### WTG

Eight formula simulation options for WTG were offered for Board consideration. The Wisconsin Association of Independent Colleges and Universities (WAICU) has recommended Simulation B3. Simulation B3 updates the UW tuition component of the formula as required by law, increases the inflation factors from last year's formula, and increases the maximum award amount to \$2500. Making these changes will increase the average award for students in all categories thus achieving the objective of making the Tuition Grant a more meaningful part of the financial aid package for those students with the greatest need. These projections assume that the current appropriation of \$22,103,700 for the fiscal year 2003-04 remains unchanged. A motion was made to accept Simulation B3 by Andre Jacque. Ann Neviasser seconded the motion. Simulation B3 was unanimously approved.

## **BOARD REPORT #03-18 RECOMMENDED RULE CHANGE RELATED TO MILITARY LEAVE AND UW-WHEG STATUTORY LANGUAGE CHANGE RELATED TO MAXIMUM AWARD**

### TIP Rule Change

One of the eligibility requirements for a student to continue to receive the Talent Incentive Program (TIP) Grant after their initial year is that the student must be continuously enrolled from semester to semester and year to year. Exceptions to this requirement may only be made for medical reasons. Recently students have begun to request exceptions because they had been called up to active duty in the Armed Forces. This situation is not addressed in the administrative rules. HEAB recommended that the Administrative Rules be changed to include Military Service as an exception.

Andre Jacque moved that the Board adopt the recommended wording, "Exceptions to this requirement shall be made by the executive secretary and will be for illnesses or disabilities which prevent attendance or for active duty military service. All medical exceptions will be certified by a doctor. No more than 12 months exception from the continuous enrollment requirement will be authorized by the executive secretary" and that "for medical exceptions" be added to the last sentence. It was seconded by Mary Jo Green. After further discussion the motion was withdrawn by Andre Jacque and Gregory Gracz moved that the following language be accepted instead, "Exceptions to this requirement shall be made by the executive secretary and will be for illnesses or disabilities which prevent attendance. All such exceptions will be certified by a doctor. No more than 12 months exception from the continuous enrollment requirement will be authorized by the executive secretary. Exceptions will be made by the executive secretary for persons affected by their active duty military service". Mary Jo Green seconded the motion. After friendly amendments were made and withdrawn a vote passed the motion unanimously.

### UW-WHEG Statutory Language Change

With an increase of 8% or more in funding, a request to eliminate the grant maximum has become necessary. The sentence, "Grants under sub. (1) shall not exceed \$1,800 during any one academic year" was to be eliminated. Debra McKinney moved to accept the recommendation as is and it was seconded by Ann Neviaser. The motion was passed unanimously.

## **FEDERAL PROGRAMS STATUS REPORT**

The President released his FY2004 Budget February 3, 2003. It includes an increase for the Pell Grant Program and suggests the elimination of the LEAP/SLEAP which in turn would affect our TIP program. At this point it has not been eliminated and is in place for another year.

A group of more than 40 higher education associations issued a community-wide set of recommendations for lawmakers to consider as they undertake the upcoming reauthorization of the Higher Education Act. These recommendations were given to the Board.

## **NEW BUSINESS**

Jane took a few minutes to announce that she would be leaving HEAB and that she would like to thank the Board for making her stay at the agency a pleasurable one. Steve Van Ess thanked her for many years of service as both the Program Administrator and then as the Executive Secretary. The students of Wisconsin are much better off for her serving in those roles. It was announced that Sherrie Nelson will be taking over the administrative management of the agency.

In May of this year six member's terms will expire. Steve asked that the Governor's office be contacted at that time to determine the next step to be taken. He also suggested new officers be chosen at the upcoming teleconference.

Next meetings: April 25, 2003 and July 18, 2003. Members are asked to please contact the HEAB office if they are unable to attend.

Ann Neviaser moved the meeting be adjourned, it was seconded by Mary Jo Green and Steve Van Ess adjourned the meeting at 12: 45.

Prepared by Nancy Wilkison