

State of Wisconsin
Higher Educational Aids Board

Meeting Minutes
February 27, 2004

Board Members Present: Steve Van Ess, Ann Neviaser, Mary Jo Green, Debra McKinney, Sandra Dercole, Khalaf Khalaf, Linda Cross, Colleen Bunner, Luke Naegele, Mary Cuene, Greg Gracz.

HEAB Staff Present: Connie Hutchison, Sherrie Nelson, John Whitt, Mary Lou Kuzdas, Sandy Thomas, Nancy Wilkison,

Others Present: Rolf Wegenke, WAICU; Paul Nelson, WAICU; Tom Heffron, WTCSB; Kristen Hendrickson, UW System Administration; Sharon Wilhelm, UW System Administration; Margaret Zitzer, Marquette University; Stephanie Hilton, United Council; Dan Goyette, Marquette University; Danielle Kupkovits, MSOE; Ben Dobner, MSOE.

Chairman Steve Van Ess called the meeting to order at 9:05 a.m.

APPROVAL OF MINUTES:

The motion was made by Ann Neviaser to approve the minutes of the October 24, 2003 Board meeting and was seconded by Gregory Gracz. The minutes were approved.

Chairman Van Ess took a moment to welcome new members, Colleen Bunner and Mary Cuene.

REPORT OF THE EXECUTIVE SECRETARY:

Executive Secretary Connie Hutchison reported on the following legislation being monitored by HEAB:

AB 342 would place restrictions on financial aid for students convicted of certain drug convictions. It appears that this bill will not go to the Senate floor for a vote, so will most likely die in committee.

The Assembly Committee on Colleges and Universities held a public hearing on AB 422 that would increase the maximum amount of Indian student assistance grants. Additional funds would come from Indian Gaming Funds. There was no further action on this bill and will probably be no action during this session.

SB 294 has been introduced in the Law Revision Committee. This bill cleans up the current statute by correcting titles, re-numbering, etc. It will not result in any substantive changes to statutes governing HEAB. To date, there has been no action on this bill.

10 Minute break

BOARD REPORT #04-11 2002-03 Minnesota-Wisconsin Reciprocity Program Data

The tuition reciprocity program is not a revenue generating program for either state, but provides an opportunity for residents on both sides of the border to attend institutions on the opposite side. In 2002-03 there was a decrease in the number of students studying in Wisconsin and a

increase in students studying in Minnesota. The amount paid to the state of Minnesota was \$3,106,725. Additional tuition paid by Minnesota students and remitted to the General Fund was \$8,423,068.

BOARD REPORT #04-12 WHEAL Program Status Report for Fiscal Year 2003

During the fiscal year 2003, WHEAL borrowers paid HEAB a total of \$716,929.36. Of this amount \$618,075.47 was for principal and \$98,853.89 was for interest. As of December 31, 2003 there were 34 people currently still in repayment.

BOARD REPORT #04-13 Wisconsin State Student Financial Aid Data for 2002-03

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 #04-14 Status of 2003-04 Applicants and Programs

In 2003-04 WHEG-UW has committed 133.49% (\$38,362,785) of its appropriation with 27,431 awards. This is 2,897 more awards and 5.02% more committed than at this time last year. The final commitment for 2002-03 was 135.88%. WHEG-WTC has committed 166.79% (\$24,808,648) of its appropriation with 28,904 awards. This is 402 more awards and 3.11% less committed than at this time last year. The final commitment for 2002-03 was 169.97%. WTG has committed 90.63% (\$20,032,632) of its appropriation with 9,969 awards. This is 2,016 less awards and 26.22% less committed than at this time last year. "W" and "Z" codes were implemented on August 27, 2003. The final commitment for 2002-03 was 116.73%. The number of applicants through February 20, 2004, for the 2003-04 academic year was 220,119. That number last year at this time was 204,585. Applicants for 2002-03 totaled 209,276.

BOARD REPORT #04-15 2004-05 WHEG and WTG 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

The formula recommendation from HEAB includes an increase in the Student Budget from \$3,854 to \$4,554, reflecting an increase in tuition. The Student Award Percentage has been decreased from 50% to 43%, reflecting the need to provide grants to a greater number of students. This was also the recommendation from the University of Wisconsin System President Katherine Lyall. If additional financial aid dollars become available in the program, the rationing factor should be increased resulting in larger awards to the most financially needy students. This would help to keep financial aid increases commensurate with tuition increases. Gregory Gracz moved to approve this formula based on these recommendations and it was seconded by Luke Naegele. The formula was approved.

WHEG-WTC

The WHEG-WTC recommendation was withdrawn by Connie Hutchison. It will be discussed by Board members and interested parties via tele-conference at a later date to be announce.

WHEG-TRIBAL

Tribal Colleges recommend maintaining the current formulas now in place. HEAB supports this recommendation. Gregory Gracz moved to accept the only formula put forth and it was seconded by Mary Jo Green. The recommended formula was unanimously approved.

WTG

The formula recommendation from HEAB and Rolf Wegenke, President of WAICU, was Simulation C. This simulation best addresses the special circumstances confronted by the WTG program in the second year of the biennium, including the unknown amount of the carryback from 2004-05 needed to cover any over commitment in the program year 2003-04, and the possibility that the state may reduce the 2004-05 appropriation to address the budget deficit. This simulation provides the best option to “hold harmless” needy students already enrolled who have been granted significant awards under the program. Ann Neviasser moved to accept the recommendation and it was seconded by Sandy Dercole. It was unanimously approved.

NEW BUSINESS

Steve briefly mentioned the reauthorization of the Higher Education Act of 1965 that was scheduled for September of 2004. Congress is not likely to act upon this legislation before the November elections. He mentioned possible changes coming in the LEAP/SLEAP programs.

Board members will be notified of the date of the tele-conference. The next Board meeting is scheduled for July 30, 2004.

Debra McKinney moved that the meeting be adjourned, second by Mary Cuene, and Chairman Steve Van Ess adjourned the meeting.