

HIGHER EDUCATIONAL AIDS BOARD

GOVERNOR'S BUDGET RECOMMENDATIONS

Source of Funds	FY05 Adjusted Base	FY06 Recommended	% Change Over FY05	FY07 Recommended	% Change Over FY06
GPR	71,845,400	96,081,100	33.7	103,074,100	7.3
PR-F	1,396,400	1,707,900	22.3	1,707,900	0.0
PR-O	1,000	1,000	0.0	1,000	0.0
PR-S	16,224,400	1,191,600	-92.7	1,191,600	0.0
SEG-O	77,800	76,600	-1.5	76,600	0.0
TOTAL	89,545,000	99,058,200	10.6	106,051,200	7.1

FULL-TIME EQUIVALENT POSITION SUMMARY

Source of Funds	FY05 Adjusted Base	FY06 Recommended	FTE Change From FY05	FY07 Recommended	FTE Change From FY06
GPR	10.36	9.86	-0.50	9.86	0.00
SEG-O	0.64	0.64	0.00	0.64	0.00
TOTAL	11.00	10.50	-0.50	10.50	0.00

AGENCY DESCRIPTION

The 11-member board consists of the State Superintendent of Public Instruction and the following members appointed by the Governor: one member from the Board of Regents of the University of Wisconsin System; one member from the Wisconsin Technical College System Board; one member who is a trustee of an independent college or university to represent such independent institutions; one undergraduate student and one financial aid administrator each from the University of Wisconsin System, Wisconsin Technical College System and independent institutions; and one citizen member to represent the general public.

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 12 other permanent agency staff members are in the classified service. The agency is composed of two areas: programs and policy (student support activities), and administration and fiscal services.

The board administers student financial aid programs including scholarship, grant and loan programs; the Minnesota-Wisconsin reciprocity agreement; a contract for dental education services; and the contracts associated with the Medical College of Wisconsin. The agency's activities are organized into two programs. Program one includes the following subprograms which provide financial support to individuals: Academic Excellence Scholarship, Dental Education Contract (Capitation) Program, Handicapped Student Grant, Indian Student Assistance Grant, Minnesota-Wisconsin Reciprocity Program, Minority Undergraduate Grant, Minority Teacher Loan, Talent Incentive Program Grant, Teacher Education Loan, Teacher of the Visually Impaired Loan Program, Wisconsin Higher Education Grant and Wisconsin Tuition Grant. Program two includes the costs of administering the activities grouped under program one along with costs associated with servicing contracts associated with the Medical College of Wisconsin, Independent Student Grant, Nursing Student Stipend Loan, Paul Douglas Scholarship, Wisconsin Health Education Assistance Loan and Wisconsin Nonguarantee Loan.

MISSION

The mission of the board is to ensure that all students be provided equal access and diversity in obtaining a higher education and to make certain the funds for each program the board administers are distributed in a fair, equitable and timely manner.

PROGRAMS, GOALS, OBJECTIVES AND ACTIVITIES

Program 1: Student Support Activities

Goal: Keep the best and the brightest in the State of Wisconsin.

Objective/Activity: Academic Excellence Scholarships are awarded to Wisconsin high school seniors who have the highest grade point average in each public and private high school throughout the state. The number of scholarships each high school is eligible for is based on total student enrollment. In order to receive a scholarship, a student must be enrolled on a full-time basis by September 30th of the academic year following the academic year in which he or she was designated a scholar at a participating University of Wisconsin, Wisconsin technical college or independent institution in the state. The value of the scholarship is \$2,250 per year, to be applied towards tuition. Half of the scholarship is funded by the state, while the other half is funded by the institution.

Goal: Increase the number of minority teachers in the State of Wisconsin.

Objective/Activity: The Minority Teacher Loan Program provides loans to Wisconsin resident, minority, juniors or seniors who are enrolled at least half-time in programs leading to teacher licensure at independent or University of Wisconsin institutions. The maximum award per year is \$2,500, with an overall maximum of \$5,000. According to the statutes, a minority student is defined as a student who is either an African American, American Indian, Hispanic, or Southeast Asian from Laos, Cambodia or Vietnam admitted to the United States after December 31, 1975. The student who participates in this program must agree to teach in a Wisconsin school district in which minority students constitute at least 29 percent of total enrollment or in a school district participating in the interdistrict pupil transfer (Chapter 220) program. For each year the student teaches in an eligible school district, 25 percent of the loan is forgiven. If the student does not teach in an eligible district, the loan must be repaid at an interest rate of five percent.

PERFORMANCE MEASURES

HISTORICAL DATA

Prog. No.	Performance Measure	Actual 2000	Actual 2001	Actual 2002
1.	Percentage of recipients persuaded by scholarship to attend school in Wisconsin.	53.5%	58%	53%
1.	Percentage of "scholarship recipient graduates" who plan to stay in Wisconsin after graduation.	59.3%	63%	56%
1.	Percentage of recipients in repayment.	N/A	23%	26%
1.	Percentage of recipient awards forgiven or expected to be forgiven.	71%	77%	74%

Note: Based on fiscal year.

2003 AND 2004 GOALS AND ACTUALS

Prog. No.	Performance Measure	Goal 2003	Actual 2003	Goal 2004	Actual 2004
1.	Percentage of recipients persuaded by scholarship to attend school in Wisconsin.	53%	49%	53%	49%
1.	Percentage of "scholarship recipient graduates" who plan to stay in Wisconsin after graduation.	56%	N/A	56%	N/A
1.	Percentage of recipients in repayment.	26%	30%	26%	43%
1.	Percentage of recipient awards forgiven or expected to be forgiven.	74%	70% ¹	74%	57%

Note: Based on fiscal year.

¹Many who are repaying the loan are teaching in Wisconsin schools that do not qualify for forgiveness.

2005, 2006 AND 2007 GOALS

Prog. No.	Performance Measure	Goal 2005	Goal 2006	Goal 2007
1.	Percentage of recipients persuaded by scholarship to attend school in Wisconsin.	53%	53%	53%
1.	Percentage of "scholarship recipient graduates" who plan to stay in Wisconsin after graduation.	56%	56%	56%
1.	Percentage of recipients in repayment.	26%	25%	24%
1.	Percentage of recipient awards forgiven or expected to be forgiven.	74%	75%	76%

Note: Based on fiscal year.

HIGHER EDUCATIONAL AIDS BOARD

GOVERNOR'S BUDGET RECOMMENDATIONS

RECOMMENDATIONS

1. Wisconsin Higher Education Grants – University of Wisconsin Students
2. Wisconsin Higher Education Grants – Technical College Students
3. Tuition Grants
4. Budget Efficiency Measures
5. Minnesota-Wisconsin Tuition Reciprocity
6. Academic Excellence Scholarship
7. Federal Aid; Aids to Individuals and Organizations
8. Information Technology Project Proposal
9. Standard Budget Adjustments

Table 1
Department Budget Summary by Funding Source (in thousands of dollars)

	ACTUAL FY04	ADJUSTED	AGENCY REQUEST		GOVERNOR'S RECOMMENDATION	
		BASE FY05	FY06	FY07	FY06	FY07
GENERAL PURPOSE REVENUE	\$71,638.9	\$71,845.4	\$93,164.1	\$98,677.2	\$96,081.1	\$103,074.1
State Operations	714.5	735.9	774.2	776.9	747.6	750.3
Aids to Ind. & Org.	70,924.4	71,109.5	92,389.9	97,900.3	95,333.5	102,323.8
FEDERAL REVENUE (1)	1,387.3	1,396.4	1,707.9	1,707.9	1,707.9	1,707.9
Aids to Ind. & Org.	1,387.3	1,396.4	1,707.9	1,707.9	1,707.9	1,707.9
PROGRAM REVENUE (2)	7,616.4	16,225.4	1,192.6	1,192.6	1,192.6	1,192.6
Aids to Ind. & Org.	7,616.4	16,225.4	1,192.6	1,192.6	1,192.6	1,192.6
SEGREGATED REVENUE (3)	50.6	77.8	76.6	76.6	76.6	76.6
State Operations	50.6	77.8	76.6	76.6	76.6	76.6
TOTALS-ANNUAL	80,693.2	89,545.0	96,141.2	101,654.3	99,058.2	106,051.2
State Operations	765.1	813.7	850.8	853.5	824.2	826.9
Aids to Ind. & Org.	79,928.1	88,731.3	95,290.4	100,800.8	98,234.0	105,224.3

(1) Includes Program Revenue-Federal and Segregated Revenue-Federal

(2) Includes Program Revenue-Service and Program Revenue-Other

(3) Includes Segregated Revenue-Service, Segregated Revenue-Other and Segregated Revenue-Local

Table 2
Department Position Summary by Funding Source (in FTE positions) (4)

	ADJUSTED	AGENCY REQUEST		GOVERNOR'S RECOMMENDATION	
	BASE FY05	FY06	FY07	FY06	FY07
GENERAL PURPOSE REVENUE	10.36	10.36	10.36	9.86	9.86
SEGREGATED REVENUE (3)	0.64	0.64	0.64	0.64	0.64
TOTALS-ANNUAL	11.00	11.00	11.00	10.50	10.50

(3) Includes Segregated Revenue-Service, Segregated Revenue-Other and Segregated Revenue-Local

(4) All positions are State Operations unless otherwise specified

Table 3
Department Budget Summary by Program (in thousands of dollars)

	ACTUAL FY04	ADJUSTED BASE FY05	AGENCY REQUEST		GOVERNOR'S RECOMMENDATION	
			FY06	FY07	FY06	FY07
1. Student support activities	\$79,928.1	\$88,730.3	\$95,289.4	\$100,799.8	\$98,233.0	\$105,223.3
2. Administration	765.1	814.7	851.8	854.5	825.2	827.9
TOTALS	80,693.2	89,545.0	96,141.2	101,654.3	99,058.2	106,051.2

Table 4
Department Position Summary by Program (in FTE positions)

	ADJUSTED BASE FY05	AGENCY REQUEST		GOVERNOR'S RECOMMENDATION	
		FY06	FY07	FY06	FY07
2. Administration	11.00	11.00	11.00	10.50	10.50
TOTALS	11.00	11.00	11.00	10.50	10.50

1. Wisconsin Higher Education Grants – University of Wisconsin Students

Source of Funds	Agency Request				Governor's Recommendation			
	FY06		FY07		FY06		FY07	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	15,032,800	0.00	20,556,400	0.00	20,556,400	0.00	26,944,900	0.00
PR-S	-15,032,800	0.00	-15,032,800	0.00	-15,032,800	0.00	-15,032,800	0.00
TOTAL	0	0.00	5,523,600	0.00	5,523,600	0.00	11,912,100	0.00

The Governor recommends adjusting funding for Wisconsin Higher Education Grants to University of Wisconsin students by providing: (a) \$15,032,800 in each year to replace funding from auxiliary enterprises, which will no longer be used for this purpose; (b) \$5,523,600 in FY06 and \$7,912,100 in FY07 to reflect a reestimate of the sum sufficient appropriation; and (c) \$4,000,000 in FY07 to help offset the cost of the 2006-07 academic year tuition increase for resident undergraduate students. This results in a 34.1 percent increase for the program by the end of the biennium.

2. Wisconsin Higher Education Grants – Technical College Students

Source of Funds	Agency Request				Governor's Recommendation			
	FY06		FY07		FY06		FY07	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	0	0.00	0	0.00	250,000	0.00	495,000	0.00
TOTAL	0	0.00	0	0.00	250,000	0.00	495,000	0.00

The Governor recommends increasing funding for Wisconsin Higher Education Grants to technical college students. This results in a 3.3 percent increase for the program by the end of the biennium.

3. Tuition Grants

Source of Funds	Agency Request				Governor's Recommendation			
	FY06		FY07		FY06		FY07	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	0	0.00	0	0.00	370,000	0.00	740,000	0.00
TOTAL	0	0.00	0	0.00	370,000	0.00	740,000	0.00

The Governor recommends increasing funding for tuition grants to provide a 3.3 percent increase for the program by the end of the biennium.

4. Budget Efficiency Measures

Source of Funds	Agency Request				Governor's Recommendation			
	FY06		FY07		FY06		FY07	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	0	0.00	0	0.00	-26,600	-0.50	-26,600	-0.50
TOTAL	0	0.00	0	0.00	-26,600	-0.50	-26,600	-0.50

The Governor recommends reducing expenditure and position authority in the board's state operations appropriations in the amounts shown to create additional operational efficiencies and balance the budget by:
(a) reducing support staff for the board.

5. Minnesota-Wisconsin Tuition Reciprocity

Source of Funds	Agency Request				Governor's Recommendation			
	FY06		FY07		FY06		FY07	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	6,100,000	0.00	6,100,000	0.00	2,900,000	0.00	2,900,000	0.00
TOTAL	6,100,000	0.00	6,100,000	0.00	2,900,000	0.00	2,900,000	0.00

The Governor recommends adjusting funding to reflect a reestimate of projected costs for the Minnesota-Wisconsin tuition reciprocity program.

6. Academic Excellence Scholarship

Source of Funds	Agency Request				Governor's Recommendation			
	FY06		FY07		FY06		FY07	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	13,500	0.00	13,500	0.00	13,500	0.00	13,500	0.00
TOTAL	13,500	0.00	13,500	0.00	13,500	0.00	13,500	0.00

The Governor recommends adjusting funding to reflect FY04 actual experience for the academic excellence scholarships.

7. Federal Aid; Aids to Individuals and Organizations

Source of Funds	Agency Request				Governor's Recommendation			
	FY06		FY07		FY06		FY07	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
PR-F	311,500	0.00	311,500	0.00	311,500	0.00	311,500	0.00
TOTAL	311,500	0.00	311,500	0.00	311,500	0.00	311,500	0.00

The Governor recommends adjusting the board's expenditure authority for federal appropriations based on reestimates of funding.

8. Information Technology Project Proposal

Source of Funds	Agency Request				Governor's Recommendation			
	FY06		FY07		FY06		FY07	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	134,100	0.00	120,900	0.00	134,100	0.00	120,900	0.00
TOTAL	134,100	0.00	120,900	0.00	134,100	0.00	120,900	0.00

The Governor recommends providing funding for a computer system upgrade.

9. Standard Budget Adjustments

Source of Funds	Agency Request				Governor's Recommendation			
	FY06		FY07		FY06		FY07	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	38,300	0.00	41,000	0.00	38,300	0.00	41,000	0.00
SEG-O	-1,200	0.00	-1,200	0.00	-1,200	0.00	-1,200	0.00
TOTAL	37,100	0.00	39,800	0.00	37,100	0.00	39,800	0.00

The Governor recommends adjusting the board's base budget for: (a) full funding of continuing position salaries and fringe benefits (\$34,100 in each year); and (b) reclassifications and semiautomatic pay progression (\$3,000 in each year).