

## HIGHER EDUCATIONAL AIDS BOARD

### GOVERNOR'S BUDGET RECOMMENDATIONS

Source of Funds	FY11 Adjusted Base	FY12 Recommended	% Change Over FY11	FY13 Recommended	% Change Over FY12
GPR	160,144,700	147,285,300	-8.0	157,909,500	7.2
PR-F	1,433,600	1,567,700	9.4	1,567,700	0.0
PR-O	900	900	0.0	900	0.0
PR-S	1,233,900	1,233,900	0.0	1,233,900	0.0
<b>TOTAL</b>	<b>162,813,100</b>	<b>150,087,800</b>	<b>-7.8</b>	<b>160,712,000</b>	<b>7.1</b>

### FULL-TIME EQUIVALENT POSITION SUMMARY

Source of Funds	FY11 Adjusted Base	FY12 Recommended	FTE Change From FY11	FY13 Recommended	FTE Change From FY12
GPR	10.50	11.00	0.50	11.00	0.00
<b>TOTAL</b>	<b>10.50</b>	<b>11.00</b>	<b>0.50</b>	<b>11.00</b>	<b>0.00</b>

### AGENCY DESCRIPTION

The board is a part-time independent policymaking board composed of 11 members consisting of the State Superintendent of Public Instruction and 10 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 Wisconsin Technical College System Board; 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 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 10.5 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 the state programs of student financial aid, 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, Wisconsin Tuition Grant, and Remission of Fees for Veterans and Dependents. The agency administers agency the Wisconsin Covenant Scholars Program, which provides grants, beginning in the fall academic semester of 2011, to students who meet the Wisconsin Covenant eligibility criteria. 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 of Wisconsin. 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, undergraduate 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 5 percent.

**PERFORMANCE MEASURES****2009 AND 2010 GOALS AND ACTUALS**

<b>Prog. No.</b>	<b>Performance Measure</b>	<b>Goal 2009</b>	<b>Actual 2009</b>	<b>Goal 2010</b>	<b>Actual 2010</b>
1.	Percentage of recipients persuaded by scholarship to attend school in Wisconsin.	50%	48%	51%	49%
1.	Percentage of "scholarship recipient graduates" who plan to stay in Wisconsin after graduation.	56%	60%	56%	58%
1.	Percentage of recipients in repayment.	40%	30%	39%	31%
1.	Percentage of recipient awards forgiven or expected to be forgiven.	60%	70%	61%	69%

Note: Based on fiscal year.

**2011, 2012 AND 2013 GOALS**

<b>Prog. No.</b>	<b>Performance Measure</b>	<b>Goal 2011</b>	<b>Goal 2012</b>	<b>Goal 2013</b>
1.	Percentage of recipients persuaded by scholarship to attend school in Wisconsin.	51%	51%	51%
1.	Percentage of "scholarship recipient graduates" who plan to stay in Wisconsin after graduation.	56%	56%	56%
1.	Percentage of recipients in repayment.	40%	39%	40%
1.	Percentage of recipient awards forgiven or expected to be forgiven.	60%	61%	60%

Note: Based on fiscal year.

## HIGHER EDUCATIONAL AIDS BOARD

### GOVERNOR'S BUDGET RECOMMENDATIONS

#### RECOMMENDATIONS

1. Increase Employee Contributions to Pension and Health Insurance
2. Budget Efficiencies
3. Eliminate Long-Term Vacancies
4. Wisconsin Higher Education Grant Program Changes
5. Wisconsin Covenant Grants
6. Transfer Covenant Scholars Administration to Higher Educational Aids Board
7. Wisconsin GI Bill Additional Tuition and Fee Reimbursement
8. Minnesota-Wisconsin Reciprocity
9. Federal Aid to Individuals and Organizations
10. Standard Budget Adjustments

#### ITEMS NOT APPROVED

11. Tuition Grant
12. Wisconsin Higher Education Grants – Technical College
13. Dental Education Contract
14. Wisconsin Higher Education Grants – University of Wisconsin
15. Minority Undergraduate Retention Grant
16. Covenant Scholars Grant Programmer
17. Wisconsin Higher Education Grant – Tribal College Students
18. Programmer Position
19. Statutory Language Changes – Tuition Grant
20. Statutory Language Changes – WHEG – Technical College Students
21. Statutory Language Change – UW-WHEG Appropriation Link to Include Hold Harmless Provision
22. Statutory Language Change – Minority Retention Grant

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

	ACTUAL FY10	ADJUSTED BASE FY11	AGENCY REQUEST		GOVERNOR'S RECOMMENDATION	
			FY12	FY13	FY12	FY13
GENERAL PURPOSE REVENUE	\$103,575.0	\$160,144.7	\$189,654.6	\$209,086.2	\$147,285.3	\$157,909.5
State Operations	865.9	862.1	1,123.6	1,137.4	980.0	981.5
Aids to Ind. & Org.	102,709.1	159,282.6	188,531.0	207,948.8	146,305.3	156,928.0
FEDERAL REVENUE (1)	\$1,490.4	\$1,433.6	\$1,567.7	\$1,567.7	\$1,567.7	\$1,567.7
Aids to Ind. & Org.	1,490.4	1,433.6	1,567.7	1,567.7	1,567.7	1,567.7
PROGRAM REVENUE (2)	\$18,430.0	\$1,234.8	\$1,255.6	\$1,280.6	\$1,234.8	\$1,234.8
Aids to Ind. & Org.	18,430.0	1,234.8	1,255.6	1,280.6	1,234.8	1,234.8
TOTALS - ANNUAL	\$123,495.4	\$162,813.1	\$192,477.9	\$211,934.5	\$150,087.8	\$160,712.0
State Operations	865.9	862.1	1,123.6	1,137.4	980.0	981.5
Aids to Ind. & Org.	122,629.5	161,951.0	191,354.3	210,797.1	149,107.8	159,730.5

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

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

**Table 2**  
**Department Position Summary by Program (in FTE positions) (4)**

	ADJUSTED BASE FY11	AGENCY REQUEST		GOVERNOR'S RECOMMENDATION	
		FY12	FY13	FY12	FY13
GENERAL PURPOSE REVENUE	10.50	12.00	12.00	11.00	11.00
TOTALS - ANNUAL	10.50	12.00	12.00	11.00	11.00

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

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

(4) All positions are State Operations unless otherwise specified

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

	ACTUAL FY10	ADJUSTED BASE FY11	AGENCY REQUEST FY12      FY13		GOVERNOR'S RECOMMENDATION FY12      FY13	
1. Student support activities	\$122,629.5	\$161,950.1	\$191,353.4	\$210,796.2	\$149,106.9	\$159,729.6
2. Administration	\$865.9	\$863.0	\$1,124.5	\$1,138.3	\$980.9	\$982.4
<b>TOTALS</b>	\$123,495.4	\$162,813.1	\$192,477.9	\$211,934.5	\$150,087.8	\$160,712.0

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

	ADJUSTED BASE FY11	AGENCY REQUEST FY12      FY13		GOVERNOR'S RECOMMENDATION FY12      FY13	
2. Administration	10.50	12.00	12.00	11.00	11.00
<b>TOTALS</b>	10.50	12.00	12.00	11.00	11.00

(4) All positions are State Operations unless otherwise specified

**1. Increase Employee Contributions to Pension and Health Insurance**

Source of Funds	Agency Request				Governor's Recommendation			
	FY12		FY13		FY12		FY13	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	0	0.00	0	0.00	-42,600	0.00	-42,600	0.00
TOTAL	0	0.00	0	0.00	-42,600	0.00	-42,600	0.00

The Governor recommends increasing state employee contributions towards pension and health insurance costs. Employees will generally pay 50 percent of the total required retirement contribution, which for calendar year 2011 equals 5.8 percent of salary. The Governor further recommends increasing employee contributions for health insurance from approximately 6 percent of the premium to 12.6 percent of the premium. These modifications are necessary to bring state employee compensation in line with private sector employment and reduce compensation costs.

**2. Budget Efficiencies**

Source of Funds	Agency Request				Governor's Recommendation			
	FY12		FY13		FY12		FY13	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	0	0.00	0	0.00	-22,500	0.00	-22,500	0.00
TOTAL	0	0.00	0	0.00	-22,500	0.00	-22,500	0.00

The Governor recommends reducing funding, excluding salary and fringe benefits, in most GPR and PR appropriations by 10 percent to create additional efficiencies and balance the budget.

**3. Eliminate Long-Term Vacancies**

Source of Funds	Agency Request				Governor's Recommendation			
	FY12		FY13		FY12		FY13	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	0	0.00	0	0.00	-22,200	-0.50	-22,200	-0.50
TOTAL	0	0.00	0	0.00	-22,200	-0.50	-22,200	-0.50

The Governor recommends eliminating position authority and related funding for positions that have been vacant for longer than 12 months.

**4. Wisconsin Higher Education Grant Program Changes**

The Governor recommends suspending the Wisconsin Higher Education Grant's designation as a sum sufficient appropriation for FY12 and FY13 in order to help balance the budget. The Governor also recommends maintaining eligibility for University of Wisconsin-Madison students.

**5. Wisconsin Covenant Grants**

Source of Funds	Agency Request				Governor's Recommendation			
	FY12		FY13		FY12		FY13	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	0	0.00	0	0.00	-15,377,300	0.00	-5,754,600	0.00
TOTAL	0	0.00	0	0.00	-15,377,300	0.00	-5,754,600	0.00

The Governor recommends providing funding for grants to qualified Wisconsin Covenant Scholars based on participation estimates (\$9,622,700 in FY12 and \$19,245,400 in FY13). The balance in FY12 and FY13 will be lapsed to the general fund to help balance the budget.

**6. Transfer Covenant Scholars Administration to Higher Educational Aids Board**

Source of Funds	Agency Request				Governor's Recommendation			
	FY12		FY13		FY12		FY13	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	0	0.00	0	0.00	126,100	1.00	126,100	1.00
TOTAL	0	0.00	0	0.00	126,100	1.00	126,100	1.00

The Governor recommends eliminating the Office of the Wisconsin Covenant in the Department of Administration. The Governor also recommends transferring responsibility for promulgating administrative rules, designation of Wisconsin Covenant Scholars and program administration to the Higher Educational Aids Board. The Governor further recommends eliminating the Wisconsin Covenant Scholars program enrollment after September 30, 2011. In addition, the Governor recommends providing grants to qualified Covenant Grant Scholars who have signed the pledge prior to the program enrollment sunset date. Finally, the Governor recommends transferring \$126,100 GPR and 1.0 FTE position from the Department of Administration to the Higher Educational Aids Board. See Department of Administration, Item #16.

**7. Wisconsin GI Bill Additional Tuition and Fee Reimbursement**

The Governor recommends requiring the Board of Regents and technical college district boards to provide full remission of academic fees charged for 128 credits or eight semesters, whichever is longer, without regard to the number of credits or semesters for which the student received educational assistance under federal programs for eligible veterans.

**8. Minnesota-Wisconsin Reciprocity**

Source of Funds	Agency Request				Governor's Recommendation			
	FY12		FY13		FY12		FY13	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	2,400,000	0.00	3,400,000	0.00	2,400,000	0.00	3,400,000	0.00
TOTAL	2,400,000	0.00	3,400,000	0.00	2,400,000	0.00	3,400,000	0.00

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

**9. Federal Aid to Individuals and Organizations**

Source of Funds	Agency Request				Governor's Recommendation			
	FY12		FY13		FY12		FY13	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
PR-F	134,100	0.00	134,100	0.00	134,100	0.00	134,100	0.00
TOTAL	134,100	0.00	134,100	0.00	134,100	0.00	134,100	0.00

The Governor recommends increasing the board's expenditure authority for federal appropriations based on a reestimate of available funding.

**10. Standard Budget Adjustments**

Source of Funds	Agency Request				Governor's Recommendation			
	FY12		FY13		FY12		FY13	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	178,900	0.00	180,400	0.00	79,100	0.00	80,600	0.00
TOTAL	178,900	0.00	180,400	0.00	79,100	0.00	80,600	0.00

The Governor recommends adjusting the board's base budget for: (a) full funding of continuing position salaries and fringe benefits (\$77,700 in each year); and (b) full funding of lease and directed moves costs (\$1,400 in FY12 and \$2,900 in FY13).

## ITEMS NOT APPROVED

The following requests are not included in the Governor's budget recommendations for the Higher Educational Aids Board.

Decision Item	Source of Funds	FY12		FY13	
		Dollars	Positions	Dollars	Positions
11. Tuition Grant	GPR	1,477,900	0.00	3,037,100	0.00
12. Wisconsin Higher Education Grants – Technical College	GPR	11,000,000	0.00	12,400,000	0.00
13. Dental Education Contract	GPR	480,800	0.00	597,500	0.00
14. Wisconsin Higher Education Grants – University of Wisconsin	GPR	13,807,800	0.00	29,059,600	0.00
15. Minority Undergraduate Retention Grant	GPR	81,900	0.00	172,000	0.00
16. Covenant Scholars Grant Programmer	GPR	58,000	1.00	68,500	1.00
17. Wisconsin Higher Education Grant – Tribal College Students	PR-S	20,800	0.00	45,800	0.00
18. Programmer Position	GPR	24,600	0.50	26,400	0.50
19. Statutory Language Changes – Tuition Grant	GPR	0	0.00	0	0.00
20. Statutory Language Changes – WHEG – Technical College Students	GPR	0	0.00	0	0.00
21. Statutory Language Change – UW-WHEG Appropriation Link to Include Hold Harmless Provision	GPR	0	0.00	0	0.00
22. Statutory Language Change – Minority Retention Grant	GPR	0	0.00	0	0.00
TOTAL OF ITEMS NOT APPROVED	GPR	26,931,000	1.50	45,361,100	1.50
	PR-S	20,800	0.00	45,800	0.00