

HIGHER EDUCATIONAL AIDS BOARD

GOVERNOR'S BUDGET RECOMMENDATIONS

Source of Funds	FY19 Adjusted Base	FY20 Recommended	% Change Over FY19	FY21 Recommended	% Change Over FY20
GPR	143,468,200	146,843,800	2.4	151,939,700	3.5
PR-F	150,000	150,000	0.0	150,000	0.0
PR-O	900	900	0.0	900	0.0
PR-S	1,666,500	1,690,600	1.4	1,715,900	1.5
TOTAL	145,285,600	148,685,300	2.3	153,806,500	3.4

FULL-TIME EQUIVALENT POSITION SUMMARY

Source of Funds	FY19 Adjusted Base	FY20 Recommended	FTE Change Over FY19	FY21 Recommended	FTE Change Over FY20
GPR	10.00	10.00	0.00	10.00	0.00
TOTAL	10.00	10.00	0.00	10.00	0.00

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 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.

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The board administers the state programs of 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, Nursing Student Loan, Primary Care and Psychiatrist Shortage Grant, Talent Incentive Program Grant, Teacher Loan Program, Teacher of the Visually Impaired Loan Program, Technical Excellence Scholarship, Wisconsin Grant programs and Wisconsin Covenant Grant. Program two includes the costs of administering the activities grouped under program one along with servicing contracts with the Medical College of Wisconsin and the John R. Justice Grant.

MISSION

The mission of the board is to ensure that all students are 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. Students must be enrolled in programs leading to teacher licensure in a discipline identified as a teacher shortage area for the State of Wisconsin by the United States Department of Education and have an overall GPA of 3.0 or higher based on a 4.0 schedule. The maximum award per year is \$10,000 with an overall maximum of \$30,000. According to the statutes, a minority student is defined as a student who is 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 full-time, in an elementary or secondary school in the city of Milwaukee. For each year the student teaches in an elementary or secondary school in the city of Milwaukee, 25 percent of the loan is forgiven. If the student does not teach in an elementary or secondary school in the city of Milwaukee, the loan must be repaid at an interest rate of 5 percent.

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PERFORMANCE MEASURES

2017 AND 2018 GOALS AND ACTUALS

Prog. No.	Performance Measures	Goal 2017	Actual 2017	Goal 2018	Actual 2018
1.	Percentage of recipients persuaded by scholarship to attend school in Wisconsin.	50%	50%	50%	50%
1.	Percentage of "scholarship recipient graduates" who plan to stay in Wisconsin after graduation.	57%	57%	58%	64%
1.	Percentage of recipients in repayment.	40%	26%	40%	37%
1.	Percentage of recipient awards forgiven or expected to be forgiven.	60%	74%	60%	63%

Note: Based on fiscal year.

2019, 2020 AND 2021 GOALS

Prog. No.	Performance Measures	Goal 2019	Goal 2020	Goal 2021
1.	Percentage of recipients persuaded by scholarship to attend school in Wisconsin.	50%	50%	51%
1.	Percentage of "scholarship recipient graduates" who plan to stay in Wisconsin after graduation.	60%	59%	60%
1.	Percentage of recipients in repayment.	39%	37%	39%
1.	Percentage of recipient awards forgiven or expected to be forgiven.	61%	63%	61%

Note: Based on fiscal year.

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RECOMMENDATIONS

1. Funding for Wisconsin Grants
2. Student Loan Refinancing Study
3. Wisconsin Covenant Scholars Grant
4. Talent Incentive Grants
5. Minority Teacher Loan Program
6. Reference to Handicapped Individuals
7. Wisconsin Grant Formula - Supplemental Request
8. Standard Budget Adjustments

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

	ACTUAL FY18	ADJUSTED BASE FY19	AGENCY REQUEST		GOVERNOR'S RECOMMENDATION	
			FY20	FY21	FY20	FY21
GENERAL PURPOSE REVENUE	\$137,428.1	\$143,468.2	\$141,847.2	\$140,578.6	\$146,843.8	\$151,939.7
State Operations	938.2	977.5	1,015.9	1,017.9	1,015.9	1,017.9
Local Assistance	0.0	500.0	500.0	500.0	500.0	500.0
Aids to Ind. & Org.	136,489.9	141,990.7	140,331.3	139,060.7	145,327.9	150,421.8
FEDERAL REVENUE (1)	\$0.0	\$150.0	\$150.0	\$150.0	\$150.0	\$150.0
Aids to Ind. & Org.	0.0	150.0	150.0	150.0	150.0	150.0
PROGRAM REVENUE (2)	\$1,436.3	\$1,667.4	\$1,667.4	\$1,667.4	\$1,691.5	\$1,716.8
Local Assistance	405.0	405.0	405.0	405.0	405.0	405.0
Aids to Ind. & Org.	1,031.3	1,262.4	1,262.4	1,262.4	1,286.5	1,311.8
TOTALS - ANNUAL	\$138,864.4	\$145,285.6	\$143,664.6	\$142,396.0	\$148,685.3	\$153,806.5
State Operations	938.2	977.5	1,015.9	1,017.9	1,015.9	1,017.9
Local Assistance	405.0	905.0	905.0	905.0	905.0	905.0
Aids to Ind. & Org.	137,521.2	143,403.1	141,743.7	140,473.1	146,764.4	151,883.6

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

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

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

	ADJUSTED BASE FY19	AGENCY REQUEST		GOVERNOR'S RECOMMENDATION	
		FY20	FY21	FY20	FY21
GENERAL PURPOSE REVENUE	10.00	10.00	10.00	10.00	10.00
TOTALS - ANNUAL	10.00	10.00	10.00	10.00	10.00

(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

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

	ACTUAL FY18	ADJUSTED BASE FY19	AGENCY REQUEST		GOVERNOR'S RECOMMENDATION	
			FY20	FY21	FY20	FY21
1. Student support activities	\$137,926.2	\$144,307.2	\$142,647.8	\$141,377.2	\$147,668.5	\$152,787.7
2. Administration	\$938.2	\$978.4	\$1,016.8	\$1,018.8	\$1,016.8	\$1,018.8
TOTALS	\$138,864.4	\$145,285.6	\$143,664.6	\$142,396.0	\$148,685.3	\$153,806.5

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

	ADJUSTED BASE FY19	AGENCY REQUEST		GOVERNOR'S RECOMMENDATION	
		FY20	FY21	FY20	FY21
2. Administration	10.00	10.00	10.00	10.00	10.00
TOTALS	10.00	10.00	10.00	10.00	10.00

(4) All positions are State Operations unless otherwise specified

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1. Funding for Wisconsin Grants

Source of Funds	Agency Request				Governor's Recommendations			
	FY20		FY21		FY20		FY21	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	0	0.00	0	0.00	5,668,700	0.00	11,620,600	0.00
PR-S	0	0.00	0	0.00	24,100	0.00	49,400	0.00
TOTAL	0	0.00	0	0.00	5,692,800	0.00	11,670,000	0.00

The Governor recommends increasing funding for Wisconsin Grants for University of Wisconsin System (\$3,094,800 in FY20 and \$6,344,200 in FY21); technical college system (\$1,148,600 in FY20 and \$2,354,600 in FY21); tribal college (\$24,100 in FY20 and \$49,400 in FY21); and private, nonprofit college (\$1,425,300 in FY20 and \$2,921,800 in FY21) students.

2. Student Loan Refinancing Study

The Governor recommends the creation of an advisory group to study the development of an authority for the refinancing of student loans in the state. The advisory group will consist of the secretary of the Department of Financial Institutions, the State Treasurer and the executive secretary of the Higher Educational Aids Board, and must provide a report to the Governor and applicable standing committees of the Legislature by October 1, 2020. The report must include recommendations regarding the corporate and legal structure of the refinancing entity (including governance), a profile of the loan portfolio, projected start-up and operational costs, estimated staffing needs, underwriting requirements, feasibility of certain borrower protections, and other information pertinent to the creation of an entity that can offer interest rate savings to Wisconsin student loan debtors. See Department of Financial Institutions, Item #1; and State Treasurer, Item #1.

3. Wisconsin Covenant Scholars Grant

Source of Funds	Agency Request				Governor's Recommendations			
	FY20		FY21		FY20		FY21	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	-1,659,400	0.00	-2,930,000	0.00	-2,072,000	0.00	-2,930,000	0.00
TOTAL	-1,659,400	0.00	-2,930,000	0.00	-2,072,000	0.00	-2,930,000	0.00

The Governor recommends adjusting expenditure authority for grants to qualified Wisconsin Covenant Scholars based on participation estimates.

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4. Talent Incentive Grants

The Governor recommends permitting supplemental talent incentive grants to be awarded at the end of the biennium if the board determines the full amount of grant funds will not be expended.

5. Minority Teacher Loan Program

Source of Funds	Agency Request				Governor's Recommendations			
	FY20		FY21		FY20		FY21	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	0	0.00	0	0.00	-259,500	0.00	-259,500	0.00
TOTAL	0	0.00	0	0.00	-259,500	0.00	-259,500	0.00

The Governor recommends converting the Minority Teacher Loan Program to a minority teacher grant program and transferring administration of the program to the Department of Public Instruction. See Department of Instruction, Item #41.

6. Reference to Handicapped Individuals

The Governor recommends changing references to "handicapped" individuals to "impaired" individuals in statutes administered by the board.

7. Wisconsin Grant Formula - Supplemental Request

The Governor recommends repealing the requirement that, under certain circumstances, the Joint Committee on Finance approve certain Wisconsin Grant formula modifications after initial board approval.

8. Standard Budget Adjustments

Source of Funds	Agency Request				Governor's Recommendations			
	FY20		FY21		FY20		FY21	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	38,400	0.00	40,400	0.00	38,400	0.00	40,400	0.00
TOTAL	38,400	0.00	40,400	0.00	38,400	0.00	40,400	0.00

The Governor recommends adjusting the board's base budget for: (a) full funding of continuing position salaries and fringe benefits (\$49,200 in each year); and (b) full funding of lease and directed moves costs (-\$10,800 in FY20 and -\$8,800 in FY21).