

2021 – 2023 Biennial Budget Report

**STATE OF WISCONSIN
HIGHER EDUCATIONAL AIDS BOARD**

BIENNIAL REPORT

2021 – 2023

STATE OF WISCONSIN

HIGHER EDUCATIONAL AIDS BOARD

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AGENCY STRUCTURE

The Higher Educational Aids Board is a part-time independent policy- making board composed of eleven 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 State Board of the Wisconsin Technical College System; 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 Board and independent institutions; one citizen member to represent the general public; the state superintendent of public instruction; and representatives from the Tribal Colleges serve in an ex-officio role.

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 other permanent agency staff are in the classified service. During the 2021-2023 biennium, total agency staff did not exceed 11 individuals. The functional organizational chart of the agency reflects the most recent structure.

AGENCY MISSION

"The Wisconsin Higher Educational Aids Board will work to ensure that all Wisconsin residents are provided equal access to a higher education, to promote diversity on Wisconsin college and university campuses, and to distribute all funds in HEAB administered programs using fair, equitable and timely procedures."

AGENCY FUNCTIONS

The agency's major operational responsibilities during 2021-2023 include three distinct categories, which include grant/scholarship/loan programs, tuition capitation programs and reciprocal agreements.

The state's student grant/scholarship/loan programs totaled the expenditures of over \$234,812,487 during 2021-2023. All these funds were secured from General Purpose Revenue tax funds. Student participation in most of these programs is based upon the federally determined student and/or parental contributions, and hence the financial need of the student recipients. Total awards exceeded 134,384 from over 316,780 Wisconsin resident undergraduates who applied for assistance during the biennium.

- The largest grant program is the **Wisconsin Grant (WG)** that serves the four sectors – University Colleges (UW), Technical Colleges (TC), Private Non-Profit Colleges (PNP) and the Tribal Colleges (TR).

- **Academic Excellence Scholarships (AES)** 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.
- **Technical Excellence Scholarships (TES)** are awarded to Wisconsin high school seniors who have the highest demonstrated level of proficiency in technical education subjects. The scholarships are only for use at a school within the Wisconsin Technical College System (WTCS) located within the state.
- The loan programs consist of: The **Minority Teacher loan program** provides loans to WI resident minority, undergraduate sophomore, juniors, or seniors who are enrolled in programs leading to teacher licensure at an independent or UW institution; **Nursing Student loan program** provides loans to WI residents who are enrolled in a program that prepares them to be licensed as nurses, either RN or LPN; **Teacher of the Visually Impaired Loan** provides loans to WI residents in a program that prepares them to be licensed as teachers of the visually impaired or as orientation and mobility instructors; **Teacher loan program** is specific to WI resident undergraduate sophomores, juniors, seniors enrolled in a program leading to teacher licensure in a discipline identified as a teacher shortage area; and the **School Leadership loan program** provides loans to students enrolled in a school leadership program at a UW System school that permits students to earn degrees in less time than a traditional school leadership program and are nominated by a superintendent of a school district; **Nurse Educator Program** provides funds to nurses who want to advance their career and become a Nurse Educator in Wisconsin.

In addition to the programs mentioned above, HEAB is responsible for the remission of fees and reimbursement to the UW and Technical College for veterans and dependents, WI Veteran Grant for Private Non-Profit Schools, Health Services Scholarship Program, Primary Care and Psychiatry Shortage Grant, and the Tribal College payment to the tribal schools.

HEAB continues the collection of outstanding loans including Minority Teacher Loan, Milwaukee Teacher Education Loan, Teacher Loan, Nursing Student Loan, and the Teacher of the Visually Impaired Loan.

Two tuition capitation agreements comprise another major operational responsibility of the agency. The Board has tuition capitation agreements with both the Medical College of Wisconsin and Marquette University School of Dentistry. These agreements provide funds to the two institutions to train Wisconsin residents as physicians and dentists. During 2021-2023 the total appropriation on behalf of the Medical College was \$3,853,200 and \$3,466,000 for the School of Dentistry for resident student tuition capitation purposes.

HEAB's third major function continues to be the administration of the Minnesota-Wisconsin Reciprocity Program in conjunction with the Minnesota Higher Education Services Office. A total of 7,822 Wisconsin residents participated in the program 2020-2021 by enrolling in Minnesota public institutions.

Beyond these four main areas of activity, HEAB also administers the J.R. Justice grant, a federally supported program, that provides loan repayment assistance for local, state, and federal public defenders and prosecutors who commit to continued employment as a public defender or prosecutor for at least three years.

PRESENT BOARD POLICIES

In 1968, a rationale and policy framework for Wisconsin's Student Financial Aid Structure was established. Today, in 2023, the rational and policy framework continues to operate.

Essentially, there are two broad goals and seven operational policies which serve to implement the broader goals. The two broad goals, Universal Educational Opportunity and Educational Diversity or "Freedom of Choice," are looked upon as educational goals which can be achieved in part through the financial aid structure.

The first goal of Universal Educational Opportunity is to eliminate financial barriers and thereby insure an educational opportunity for all Wisconsin citizens commensurate with their desires and abilities. This goal suggests that it is the primary purpose of the student financial aid structure to insure an educational opportunity for all citizens commensurate with their desires and abilities regardless of their financial circumstances. This goal does not imply that the same educational experience need be provided to all students, but it does suggest that all students be given an equal opportunity to pursue an education consistent with their individual abilities, interests, and ambitions. It has been recognized that if society is to achieve the goal of equality of opportunity it must first ensure the equality of educational opportunities. As a result of the technological revolution, the knowledge explosion, and the development of a highly skilled and complex society, education has become the most important key to the "American Dream." The educational investment in human resources has a direct impact on the economic and technological development of the nation. Students need to possess 21st century skills such as problem-solving and critical thinking, entrepreneurship, and creativity. Education is no longer just a pathway to opportunity and success but a prerequisite. This circular relationship between providing universal educational opportunity results in benefits which accrue to society in addition to those which accrue directly to the individual in terms of personal fulfillment and economic security. Every citizen has a right to participate in the economic, social, and political aspects of our society. Education provides the opportunity to exercise this right of full participation and, consequently, must be made equally available to all.

The second goal of the Financial Aid Structure is to support educational diversity by allowing students the freedom to choose among the various educational offerings. Educational diversity implies a wide range of academic environments, programs, and course offerings as well as diversity in sponsorship e.g., public and private. A comprehensive educational environment is one which offers technical training in addition to collegiate programs not of the technical nature; one- and two-year programs as well as four-year programs whether they are traditional campus programs or online. The diversity issue generally concentrates on the need to preserve the strength and vitality of private schools of higher education for the following reasons:

1. To assure students the opportunity of selecting an institution on such basis as academic program, campus environment, size, etc.
2. To stimulate healthy competition in seeking distinctions, whether by innovations in program or by quality achievements.
3. To maximize the use of educational resources including faculties, facilities, etc.

In order to implement the two goals described, the following operational policies were established to serve as the guideposts of the Financial Aid Structure.

1. The first operational policy designed to implement the goals of the Financial Aid Structure is that **financial aid be distributed based on the student's financial need** in order to maximize financial resources and thereby insure an educational opportunity to the greatest number of students.
2. The second operational policy designed primarily to implement the goal of educational diversity or freedom of choice is **equalization**. Equalization supports diversity and ensures freedom of choice by placing all students in the same relative position vis' a vis' governmental instructional subsidies.
3. The third operational policy, **awarding for excellence**, requires that academic excellence be recognized.
4. The fourth operational policy, **shared responsibility**, recognizes the multiple responsibility of the student, the student's parent/s or spouse, government, and private sources to contribute to educational costs.
5. The fifth policy, **recognizing the unique financial needs of the disadvantaged**, suggests that it is the responsibility of the financial aid structure to recognize and relate to the unique financial needs of the economically disadvantaged.
6. The policy, **maximization of resources**, emphasizes the need to maximize the contribution of financial aid resources provided by all sources including students, spouses, parents, government, institutions, and private sponsors.
7. The last policy, **administrative coordination, and simplicity**, recognizes the importance of providing coordinated, equitable, efficient, and responsive administrative framework designed to implement the other policies enumerated above. The enactment of the State's financial aid programs and subsequent assignment of these programs to the Higher Educational Aids Board points out the desirability of insuring an orderly development and coordination of the State's Financial Aid Structure as well as equitable, efficient, and responsive distribution mechanisms. To best serve the body of Wisconsin students who are attending a wide range of schools including public and private, in-state as well as out-of-state, two-year programs and four-year programs, coordinated State financial aid programs are essential. Meeting this requirement and, in addition, fulfilling the Legislative mandate of providing an annual review of the State's Financial Aid Structure, suggests that a single governmental body should be responsible for the administrative coordination of the State's financial aid programs.

To summarize, the State Student Financial Aid Policy Framework is as follows:

I. Goals of the Financial Aid Structure

- A. Removal of all financial barriers to insure an Educational Opportunity for all Wisconsin citizens commensurate with their desires and abilities.
- B. Support of Educational Diversity by allowing students the freedom to choose educational programs based on their interests and abilities.

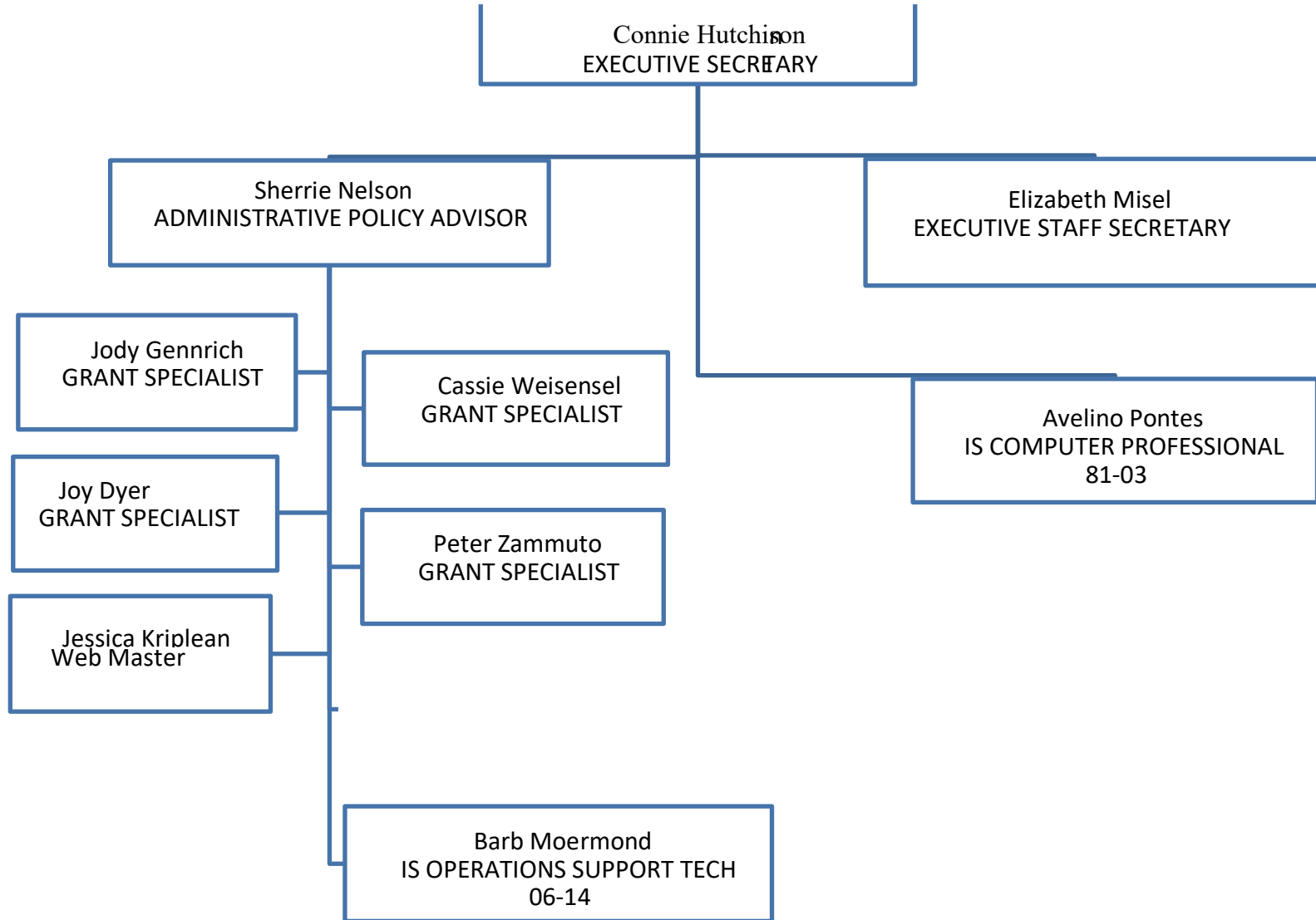
II. Operational Policies

- A. Distribution of student financial aid based on the student's financial need in order to maximize financial resources and thereby insure an educational opportunity to the greatest number of students.
- B. Equalization of the instructional subsidy paid on behalf of students thereby insuring maximum freedom of choice.
- C. Recognition of academic excellence.
- D. Recognition of the multiple responsibility of the student, the student's parent/s or spouse, government, and private sources to contribute to educational costs.
- E. Recognition of the unique financial need of the economically and educationally disadvantaged.
- F. Maximization of the financial aid resources provided by all sources including students, the student's parent/s or spouse, government, institutions, and private sponsors.
- G. Implementation of these operational policies through a coordinated, equitable, efficient, and responsive administrative framework.

During the 2021-2023 biennium the following individuals served on the Higher Educational Aids Board.

<u>MEMBER</u>	<u>REPRESENTING</u>
Jeff Neubauer	Independent College & Universities – Board Representative
Kyle Weatherly	UW System Administration Board of Regents – Board Representative
Dana Efrem	Independent Colleges and Universities - Student Representative
Jeff Cichon, Secretary	WI Technical College System – Financial Aid Representative
Angela Haney	WI Technical College System – Student Representative
Susan Teerink	Independent Colleges and Universities – Financial Aid Representative
Tim Opgenorth	UW System Administration – Financial Aid Representative
Jennifer Kammerud	Dept of Public Instruction – Superintendent – Designee
Stephen Willett, Chairman	WI Technical College System – Board Representative
Jennifer Garrett	Public-At-Large Representative
Justin Wesolek	UW System Administration – Student Representative
Russell Swagger (Ex-Officio Member)	Tribal Colleges

HIGHER EDUCATIONAL AIDS BOARD



**PERFORMANCE AND OPERATION OF
HIGHER EDUCATIONAL AIDS BOARD
DURING 2021-2023**

It is recognized that the staff of the Higher Educational Aids Board (HEAB) is small, yet the responsibilities the board has is extremely important to Wisconsin residents seeking a postsecondary education. Due to an extraordinary level of expertise and dedication, HEAB staff members continue to be able to meet the high expectations placed upon them by customers, the Administration, and the Legislature. HEAB has been able to successfully carry out its mission to ensure that all students be provided equal access and diversity in obtaining a higher education and make certain the funds for each program HEAB administers are distributed in a fair, equitable, and timely manner.

Over the two-year biennial period \$246,824,206 was distributed to 142,206 Wisconsin students through programs administered by HEAB. HEAB's detailed year-end report that provides information about our programs can be found on our website at <https://heab.state.wi.us>.

The expansion of communication throughout the higher education community in order to better serve our customer, the student, continued to be a priority for the agency. Improvements to the monthly memos, training workshops, visits, presentations, agency web site and various other forms of communication were made as well as efforts to develop relationships with other agencies and organizations to provide Wisconsin residents with as much financial assistance related information as possible and we continue to focus on making improvements.

The Minnesota-Wisconsin Reciprocity program is fully automated. Students can apply for reciprocity on-line and receive notification of approval or denial in a very short time.

An agreement with the Department of Revenue has been implemented and the collection of defaulted loans for the Nursing Student Loan, Teacher Loan, and Minority Teacher Loans is now accomplished through the Department of Revenue.

The 2012 Commission on Financial Aid Consolidation and Modernization was created in 2011 Wisconsin Act 176 to study:

- a. The potential for consolidating all grant programs administered by the Higher Educational Aids Board (HEAB) into a single, comprehensive, need-based grant program.
- b. Options for providing grant aid for students who are attending Wisconsin institutions of higher education at less than full-time credit loads.

Act 176 provided for membership of the Commission. HEAB was charged with administering the Commission and assisting the body in its work.

The Commission on Financial Aid Consolidation and Modernization reported its recommendations to the Higher Educational Aids Board, and to the legislature in the manner provided in section 13.172 (2) of the statutes, in a report dated November 30, 2012. The Commission had been required by Act 176 to report by December 1, 2012. Act 176 specified that upon submission of its report, the commission shall terminate its activities and shall cease to exist. A copy of the final report and its recommendations can be found at HEAB's website <https://heab.state.wi.us>.

In the 17-18 budget we were assigned a new program, the School Leadership Loan Program. This loan program was specific for students who are enrolled in a school leadership program at an institution of the University of Wisconsin system that permits students to earn degrees in less time than a traditional school leadership program and that includes a required mentorship or apprenticeship component. The student must be nominated by a superintendent of a school district. The loan is forgiven at 25% per year if the recipient is employed in a school leadership position in an elementary or secondary school in this state.

2017 Wisconsin Act 206 created the Dual Enrollment Credential Grant. This grant was for the purpose of assisting high school teachers in covering tuition expenses for courses taken to meet the minimal qualifications necessary to teach dual enrollment courses. The dual enrollment courses were designed to provide high school students with the opportunity to gain credits in both high school and an institution of higher education.

In the 19-21 budget HEAB was assigned the Health Services Scholarship Program to encourage health services professionals to practice in health shortage areas in the State of Wisconsin. Students are eligible to apply if they are a Wisconsin resident and in their second year or higher of a graduate dental, psychiatry, or medical (including primary care physicians, physician assistants, or nurse practitioner) training program in the State of WI. Upon graduation the student must agree to practice in a Health Shortage Area in WI for a period equal to 18 months for each annual scholarship.

The 21-23 budget provided us with the opportunity to develop the Nurse Educators Program for the 22-23 academic year. The Nurse Educators Program provides funds to nurses who want to advance their career to become nurse educators in WI. This program provides funds to nurses who want to get their master's in nursing, Doctorate in Nurse Practitioners, or PhD in Nursing. Once they complete their education, they have an obligation to teach for three years in Wisconsin. If they don't complete their obligation to teach for three years, the funds then become a loan that they must repay. In addition, there are funds available for nurse fellowships and nursing faculty.

PROGRAMS	2021-2022		2022-2023	
	DOLLARS		DOLLARS	
	SPENT	AWARDS	SPENT	AWARDS
CAPITATION				
Marquette University School of Dentistry	\$1,733,000	200	\$1,733,000	200
Medical College of Wisconsin	\$1,926,600	526	\$1,926,600	543
GRANTS				
Impaired Student Grant	\$52,505	33	\$52,200	31
Indian Student Assistance Grant	\$426,797	479	\$467,274	528
Minority Retention Grant - Independent and Tribal Colleges	\$386,822	244	\$382,304	237
Minority Retention Grant - TC System	\$431,673	548	\$412,705	521
Primary Care & Psychiatry Shortage Grant	\$166,500	8	\$166,800	8
Talent Incentive Program Grant	\$3,197,820	2,406	\$3,621,178	2,353
Veteran's Grant Private Non-Profit	\$371,943	118	\$472,215	167
Wisconsin Grant -UW System	\$57,771,286	28,573	\$55,177,271	27,899
Wisconsin Grant - Technical Colleges	\$19,325,372	22,446	\$26,195,430	22,111
Wisconsin Grant - WI Tribal Colleges	\$324,794	229	\$428,808	285
Wisconsin Grant - Private Non-Profit	\$26,132,722	8,164	\$25,625,336	7,794
LOANS				
Minority Teacher Loan	\$110,000	12	\$60,000	6
Teacher Loan	\$219,355	25	\$235,500	25
Teacher of the Visually Impaired Loan	\$99,000	14	\$78,797	13
Nursing Student Loan	\$372,900	138	\$347,675	130
Nurse Educators Program	\$0	0	\$3,511,294	101
RECIPROCITY				
MN-WI Reciprocity Program			\$4,692,519	7,822
SCHOLARSHIPS				
Academic Excellence Scholarship	\$3,006,017	2,803	\$2,956,658	2,801
Technical Excellence Scholarship	\$845,860	836	\$854,676	829
Health Services Scholarship	\$270,000	9	\$255,000	9
Totals	\$117,170,966	67,802	\$129,653,240	74,404

**MAJOR PROGRAM GOALS AND OBJECTIVES OF THE
HIGHER EDUCATIONAL AIDS BOARD
FOR THE 2023-2025 BIENNIUM**

The Higher Educational Aids Board (HEAB) will continue to pursue its long-term commitment of providing opportunities for educational access and diversity in obtaining a higher education. It will continue to review its program policies and operational objectives for all state aid programs. HEAB will strive to expand its outreach to increase the awareness and knowledge of postsecondary educational opportunities and available financial assistance programs available through the Higher Educational Aids Board. HEAB has always collected and analyzed data related to postsecondary education student financial aid. Reports that reflect this data are developed and distributed annually and available on our website: <https://heab.state.wi.us>.

Goals and objectives that have been set for the Higher Educational Aids Board to carry out over the next two years are extensive. The areas of focus will include addressing changes specific to the 2023-2025 biennial budget; reviewing program policy and potentially pursuing statute and/or rule changes; and continuation of implementing technological changes.

The first of HEAB's goals provided in the 2021-2023 budget request was to keep the best and the brightest in the State of Wisconsin. The 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.

The second goal is to increase the number of minority teachers in the State of Wisconsin. The objective/activity: The Minority Teacher Loan Program provides loans to Wisconsin resident, minority, undergraduate junior, 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, or Alaskan Native, Hispanic, Asian or Pacific Island Origin, or two or more races. The student who participates in this program must agree to teach full time, in an elementary or secondary school, or tribal school in a Wisconsin school district with a 40% or higher minority student population. For each year the student teaches in an elementary or secondary school or tribal school, 25 percent of the loan is forgiven. If the student does not teach in an elementary or secondary school or tribal school, the loan must be repaid at an interest rate of five percent.

Given the size of the agency the reliance on technology to fulfill responsibilities has been vast. In December 1999, the President signed the FAFSA Simplification Act, that changes the FAFSA (Free Application for Student Financial Aid) to be more simplified and less complicated. The FAFSA collects data from students and their parents to provide the Expected Family Contribution, (EFC). The EFC determines a student's eligibility for Federal and State financial aid, The Simplification Act eliminates the EFC calculation and changes it to the Student Aid Index (SAI) calculation. The Simplification Act is to become effective in the 24-25 academic year. For HEAB to ensure compliance with the upcoming changes to the FAFSA, HEAB worked with DOA and has contracted with a private vendor (Goldbridge Partners, Inc.) to write a new modernized Student Financial Aid system that will take our mainframe system to a cloud-based system written in .net. This Student Financial Aid System will also ensure compliance with the upcoming changes to the FAFSA. The primary objectives of the new system include - increasing the efficiency and minimize manual intervention through system automations; enhance security, data integrity, and consistency across programs; improve portal capabilities; and streamline our existing processes through system functionalities. In addition, the new system will permit simple modifications and maximum flexibility to support changes in award formulas and the addition of future programs or agreements. Completion of this project is scheduled for December 2024.

ALTERNATIVE WORK SCHEDULES

The agency also encourages the utilization of Alternative Work Schedule such as flex- time, part-time, and shared time schedules to increase productivity, extend services, reduce absenteeism, improve employee morale, allow for employee development and to maximize energy conservation through ride sharing and use of mass transit systems. The agency recognizes Alternative work schedules may provide opportunities for individuals to productively utilize their skills, talents, and abilities. It recognizes that a traditional full-time work schedule may not meet the needs of individuals who, due to age, health or family circumstances, find such a schedule in conflict with responsibilities outside of work. The agency updated its alternative work schedule this spring that is supported by alternative work schedule related statutes and rules.