



State of Wisconsin Higher Educational Aids Board

P.O. Box 7885
Madison, WI 53707-7885
E-Mail: HEABmail@wi.gov

Telephone: (608) 267-2206
Fax: (608) 267-2808
Web Page: <http://heab.wi.gov>

Scott Walker
Governor

John Reinemann
Executive Secretary

TO: Members, 2012 Commission on Financial Aid Consolidation and Modernization

FROM: John Reinemann, Executive Secretary
Wisconsin Higher Educational Aids Board (HEAB)

RE: TOPICS FOR CONSIDERATION BY THE 2012 COMMISSION

DATE: June 19, 2012 **REVISED June 22, 2012**

In a memo to the Commission dated May 18, 2012 (the day of our first meeting) I proposed that at its second meeting the Commission begin to assemble a list of topics for further discussion. My memo of May 18 included a topic list proposed by me.

During discussion at the May 18 meeting, it was agreed that Commission members would provide their own lists of proposed topics to me, and that I would consolidate these lists into one document for ease of discussion.

The second meeting of the Commission has now been scheduled for Wednesday, June 27, 2012. This date was selected based on input from Commission members about their availability; it is the date in June which promised maximum participation by members.

This memo is a summary of the topics submitted by Commission members. It is my hope that the Commission will use today's memo as a guide to its discussions of topic at the meeting on June 27.

It is my belief and hope that, the Commission can develop this list through consensus.

LANGUAGE IN ACT 176

2011 Wisconsin Act 176 created the Commission within HEAB (the State of Wisconsin Higher Educational Aids Board) and charged the Commission with studying

- The potential for consolidating all grant programs administered by the higher educational aids board into a single, comprehensive, need-based grant program, and
- Options for providing grant aid for students who are attending Wisconsin institutions of higher education at less than full-time credit loads.

This is the entire charge of the Act.

OVERVIEW OF DISCUSSION AT JUNE 27 MEETING

This document is meant to serve as a guide for the discussion of the Commission on June 27.

I have listed each potential topic in a list, beginning on the next page (page three). The list is a paraphrase; the actual comments and other material from Commission members follow the list of topics (beginning on page four).

I encourage readers to review the members' submitted comments, in order to gain the full sense of the submitted comments.

In some cases topics were suggested for discussion, and in other cases it was suggested that a topic was not within the scope of the Commission.

This list contains all the topics for which an assertion was made that a topic should be addressed, or for which conflicting suggestions were made.

There seemed to be broad agreement that several topics listed in the May 18 memo are beyond the scope of the Commission. This list will not revisit topics cited as beyond the scope of the Commission in the memo of May 18, unless objection was made to non-discussion by a Commission member in their subsequent submission to HEAB.

The comments of Commission members regarding their own thoughts on a topic's non-inclusion in the work of the Commission, may be seen in the submissions by Commission members which are included at the end of this memo.

LIST OF TOPICS FOR CONSIDERATION ON JUNE 27 (Submitters commenting specifically on listed topic)

1. Consolidation of WTG and WHEG (Ballweg, Foy, Green, Jacobson, Reinemann, Tormey, Wegenke)
2. Funding levels for WTG and WHEG (Foy, Risser, Tormey, Wegenke)
3. Statutory link for funding levels (Wegenke)
4. Suggestion that Academic Excellence Scholarship program be included in discussions re: consolidation (suggested by Flanagan; Reinemann memo of May 18 had suggested the program not be discussed by the present Commission)
5. Grant options for part-time students (Ballweg, Foy, Jacobson, Reinemann, Risser, Tormey, Wegenke)
6. Improvements to existing grant programs re: administration and effectiveness (Flanagan, Reinemann, Tormey)
7. Improvements to Wisconsin Covenant program notwithstanding sunset (suggested by Reinemann and Tormey; Foy suggests discussion of the components or funding of the Wisconsin Covenant program lacks practical benefit due to sunset; Ballweg suggests discussing "Covenant and the future of Covenant")
8. Modernize HEAB's delivery system to reduce the number of manual processes performed by colleges and HEAB staff, and to expedite the transfer of funds to students (Jacobson)
9. Review academic progress requirements for recipients of the Wisconsin Covenant and the WI GI Bill (Jacobson)
10. Converting or consolidating current HEAB loan forgiveness program funds into grant programs (Green, Tormey)
11. Support Degree Completion for Unemployed and Underemployed Workers (Tormey)
12. Are the loan forgiveness programs actually bringing workers into targeted fields? (Ballweg)
13. Updating the statutes so they reflect the current HEAB practices (Ballweg)

END OF LIST

The material I received from Commission members is below. Submitters' names are bolded and underlined; the form of the comment is indicated (in parentheses). Submissions are arranged alphabetically by last name.

BALLWEG (email)

These are the topics that Joan would like to discuss during the Commission:

1. Potential for consolidation
2. Are the loan forgiveness programs actually bringing workers into targeted fields?
3. Covenant and the future of Covenant
4. Options for students to receive grants at less than half-time loads
5. Updating the statutes so they reflect the current HEAB practices

FLANAGAN (email)

Topics: I largely agree with the topics you outlined. Two questions:

1. What is "effectiveness"? (Number of students? Access for those least able? Graduation?)
2. Why not consider the Academic Excellence Scholarship program? The reason I ask is that it seems those are funds that could be applied toward the aims of the existing state programs. I'm not advocating for elimination, I'm just not yet sure why they should be taken off the table.

FOY (email)

In response to your request, I would like to see the committee to discuss

1. Possibilities for consolidation among all HEAB grant and loan programs
2. Possible options for aiding less than full time students
3. State student financial aid investment levels in effort to get away from a debate about moving funds among worthy programs

I don't think there is practical benefit in discussion of the components or funding for the Wisconsin Covenant program as it has been sunset.

FOWLER (email from Nicole Fish on Dr. Fowler's behalf)

Dr. Fowler agrees that the topics listed in the memo prepared by John Reinemann are sufficient topics to not be considered.

GREEN (email)

Topics to consider:

1. Keep within the two topics specified in the bill (possible consolidation of programs and options to serving less than full time students)
2. How through consolidation can we still recognize the unique populations served by each program and sector and meet the needs of those students? HOLD HARMLESS
3. Consider converting loan forgiveness program funds to grant programs

Not to consider: I agree with your list of not discussing – affordability, Federal aid programs, issues of access not tied to financial, need to encourage planning and saving, issues with student debt and debt discharge, and need for higher education and credentialed graduates

JACOBSON (email)

Here's a list of issues I'd like the Commission to address:

1. Consolidate all HEAB grant and loan programs into a single need-based grant program.
2. Modernize HEAB's delivery system to reduce the number of manual processes performed by colleges and HEAB staff, and to expedite the transfer of funds to students.
3. Review academic progress requirements for recipients of the Wisconsin Covenant and the WI GI Bill.
4. If the current WHEG/WTG programs aren't consolidated, then a rule should be implemented to pro-rate and award WTG to less-than-half-time students.

I agree that financial literacy, student loan programs, tuition reciprocity, and issues of access to higher education are beyond the scope of this Commission.

REINEMANN (from Reinemann memo of May 18, summarized)

Issues to consider:

1. Consolidation of the Wisconsin Tuition Grant (WTG) and the Wisconsin Higher Education Grant (WHEG) in various forms and to various degrees, which can be developed as options during the Commission's upcoming sessions.
2. Expanded options (including additional levels of proration) for part-time students under the Wisconsin Higher Education Grant and the Wisconsin Tuition Grant. Currently the two programs are available to students attending at least half-time; however, some proration is available under the Wisconsin Tuition Grant that is not part of the structure of the Wisconsin Higher Education Grant.
3. Improvements to the existing grant programs that would improve the effectiveness of the programs.
4. The Commission may decide to review potential recommendations meant to improve the Wisconsin Covenant program for the remainder of its existence.

Issues not to consider:

1. Proposals previously forwarded by the 2010 Legislative Council study committee
2. The Contract for Dental Education with the Marquette University School of Dentistry and the Medical College of Wisconsin Capitation Program
3. Tuition reciprocity
4. HEAB loan programs
5. The Academic Excellence Scholarship program
6. Federal student aid programs, including loans and including current questions being asked in Washington about the appropriate rate of interest to be charged on federal loans
7. Issues of access to higher education not tied directly to financial concerns
8. The need to encourage planning, saving, and other measures that students and families can take to become better prepared to meet education costs
9. Issues of handling student debt, including increased options for debt consolidation and refinancing
10. Student debt discharge, including debt forgiveness and the treatment of student debt in bankruptcies
11. The need for higher education and for credentialed graduates in Wisconsin

RISSER (email)

Thank you for asking each of the commission members to give some thought to the issues which should be addressed by the Commission on Financial Aid Consolidation and Modernization. Due to the commission's charge, and the guidelines set forth by HEAB, it appears to me that we are unable to make substantial improvements in our existing educational loan and grant program.

In my opinion, increased funding is the real answer to meeting the needs of our students, especially those in need.

However, consideration of minor changes in our grant, loan and scholarship program might be of some assistance to our current programs.

- 1) Uniform forgiveness -- currently we have different options for loan forgiveness based on choice of profession and service in an underserved or urban area. It would seem that a more uniform approach and expansion into professions beyond health care and teaching would encourage students to pursue other fields of study to fill out the specialized workforce in our state;
- 2) Expansion to cover part time students-- This would assist those who must work and give them the opportunity to gain access to financial assistance to further their education.

TORMEY (email with attachment)

Issues Recommended to Consider:

1. Addressing the shortfall in WHEG: The UW System has seen a tremendous increase in student need since 2009. To address this increased financial need, the UW System has been forced to cut WHEG awards by a total of 20% in the last three years. This has led to increase in the number of awards from 25,000 to 30,000. Despite this effort, the WHEG waiting list exceeded 8,500 students in 2010-11.
2. Improve information sharing with Covenant Students: In 2011-12, the first year of Covenant awards, the awards totaled 5,247 out of 18,020 high school seniors who signed up for the Covenant. Finding ways to enhance the collaboration between the UW System, WTCS, and WAICU along with HEAB and GLHEC would increase the number of awards provided to students and improve college affordability.
3. Support Degree Completion for Unemployed and Underemployed Workers: The UW System suggests investigating potential funding sources focused on degree completion for unemployed and underemployed workers who have substantial college credits, such as creating linkages with education programs administered through DWD. Funding could address the gap in financial aid for students who can only take one course a semester.
4. Administrative Improvements: The UW System has worked closely with HEAB in the previous year to improve the process for awarding WHEG grants to UW students. This has helped to award grants earlier to students which impacts students' decisions to go to college and/or stay in college. The Commission should invest whether additional administrative efficiencies can be achieved, or whether other process improvements, such as computer system enhancements, would create additional efficiencies.
5. Provide Flexibility to Sectors to Prorate WHEG Awards to Part-Time Students: UW System would like to explore the feasibility of pro-rating WHEG awards to part-time students, similar to the approach for Pell Grant awards. The current statutory language limits the number of semesters that students can receive WHEG awards and appears to prevent prorating of semesters for part-time students.
6. Consolidate State Loan Programs: HEAB currently administers four student loan programs. These programs are small, both in terms of funding and students served, but impose significant administrative costs. The Commission should investigate whether loan programs are the most efficient ways to provide aid to students with financial need.

Issues Recommended to Not Consider:

1. Value of State Grant Programs: These state financial aid programs play an important role in access, affordability, and retention and Wisconsin is funded at a much lower level than other states in the Midwest. The Legislative Council Study Committee researched the grant programs in 2010 and found that they each serve a valuable constituency and state higher education goal.
2. Expand eligibility for State financial aid programs to for-profit institutions: Because of the growing demand for State financial aid programs, the waiting lists for the existing programs, and the limited state resources available, the creation of additional financial aid programs is not feasible at this time. (See attached 2005 letter from Presidents of three sectors, when this issue was last considered)

WEGENKE (email with attachment; some paraphrasing)

Consider:

1. Renaming WHEG and WTG to a single common name, while retaining separate appropriations for each program. A possible renaming of the programs could be made as the Wisconsin Grant-UW, the Wisconsin Grant- WTCS, the Wisconsin Grant- Tribal, and the Wisconsin Grant-WAICU.
2. Establish a statutory aid link. Create a sum-sufficient appropriation for the (renamed) four major grant programs, linking percentage increases in the appropriations to percentage increases for tuition at UW-Madison. 2005 AB 743 could serve as a model for this idea, although Wegenke indicates that WTCS would support a change to that bill that would instead link increases in the WTCS grant appropriation to increases in WTCS tuition, and that he would support this.
3. Authorize the HEAB Board, on the recommendation of each sector, to authorize grants to students who are less than full-time, at such time as the current students in each sector would not be disadvantaged by the change.
4. Consolidate all of the smaller HEAB student aid programs proportionally into the “big four” aid programs, proportionally based on a three-year average of funding going to UW, WTCS, Tribal colleges, and WAICU students. Some of the current small programs may be subject to court challenge; folding them into the larger programs may save them without disadvantaging the targeted student populations.

Not to consider:

1. The 2010 WLCS study committee considered but rejected inclusion of aid for proprietary, for-profit schools. Language in Act 176 talks of this present 2012 Commission discussing programs EXISTING at EAB, and of those currently-extant programs, none includes proprietaries. Therefore I believe proprietaries are “off the table” and outside our charge.
2. Your memo (Reinemann memo) of May 18, 2012 inventories other issues which are off the table. I believe your inventory is both accurate and definitive.

END OF COMMISSION MEMBERS' SUBMISSIONS FOR DISCUSSION