



State of Wisconsin
Higher Educational Aids Board

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Tony Evers
Governor

Connie Hutchison, PhD
Executive Secretary

September 15, 2020

Mr. Joel Brennan, Secretary
Department of Administration
101 East Wilson Street
Box 7864
Madison WI 53707-7864

Dear Secretary Brennan:

Enclosed are documents outlining requests which pertain to programs administered by the Higher Educational Aids Board. These documents are submitted for consideration in the creation of the 2021-2023 Biennial Budget.

These requests pertain to increases sought by the University of Wisconsin Board of Regents, the Wisconsin Technical College System Board, and the Wisconsin Association of Independent Colleges and Universities (WAICU) for the grant programs administered by HEAB. The HEAB Board has endorsed these recommendations from the state's academic sectors.

The academic sectors made these recommendations in the belief that the significant level of unmet financial need facing Wisconsin students is a challenge that must be met. Because unmet need is a concept unique to the world of higher education, these documents explain the calculations and assumptions used by the sectors when they made these recommendations to the HEAB Board.

Debate about educational opportunity, the amount of unmet need in the state, and the appropriate resource commitment to meeting that unmet need, are all reflected in these recommendations. Because of the policy aspect to these requests, we have elected to submit them to you in this format. Again, these requests have been endorsed by the HEAB Board and they constitute the recommendations and requests of the Higher Educational Aids Board.

I look forward to discussing these requests with you. Please let me know if you have any questions.

Sincerely,

Connie Hutchison, PhD
Executive Secretary

Cc: Amanda Mott, DOA
Sara Hynek, DOA



Dr. Morna K. Foy, President

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July 9, 2020

Stephen Willett, Chair
Connie Hutchison, Executive Secretary
Higher Educational Aids Board
PO Box 7885
Madison, WI 53707-7885

Dear Board Chair Willett and Executive Secretary Hutchison:

On behalf of the Wisconsin Technical College System (WTCS) Board and students across the state, we request that the Higher Educational Aids Board (HEAB) seek additional grant funding for the WTCS Wisconsin Grant (WG). We urge HEAB to include this request as part of its 2021-23 biennial budget proposal submitted to the Wisconsin Department of Administration.

For the last two decades, the investment in the **largest higher education sector** in the state (WTCS) has lagged the other higher education sectors, while technical college students have nearly twice the financial need.

As the low cost, most flexible, higher education provider, the WTCS is the first choice for adult working students and/or those with the greatest financial challenges. Providing additional WTCS Wisconsin Grant funding would enable more students to acquire the essential skills Wisconsin needs to keep safe and restart our economy.

The WTCS Board realizes that HEAB, like all state agencies, will likely seek to exercise restraint in its 2021-23 biennial budget request. At the same time, we cannot ignore the financial needs of our students and the important role of WTCS graduates in improving the state's long-term economic health.

Therefore, to help close the gap in the Wisconsin Grant funding for technical college students, the WTCS Board respectfully requests that the HEAB 2021-23 budget request include the following:

- An increase of \$11.8 million GPR in each year of the biennium to increase the average WTCS Wisconsin Grant award to \$1,100 and to expand the pool of eligible students to those enrolled in at least 3 credit hours.

Thank you for considering our request and for your commitment to helping WTCS students. We hope this is helpful to your deliberations.

Sincerely,

Morna K. Foy, PhD
President
Wisconsin Technical College System

cc: Bryan Kirschbaum, DOA Budget Analyst

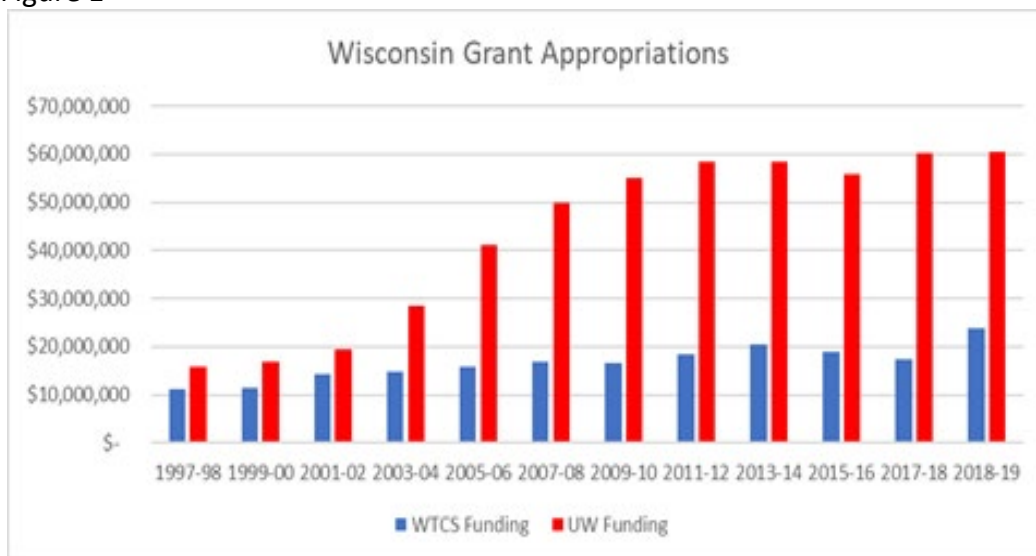
Issue: Wisconsin Grants - Technical Colleges

State investments in the Wisconsin Technical College System (WTCS) Wisconsin Grants supports students to earn credentials that benefit Wisconsin employers who need the essential workers the WTCS colleges produce. However, for two decades, the investment in the **largest higher education sector** in the state (WTCS) has lagged behind the other higher education sectors, while technical college students have nearly twice the financial need.

Background

Over the last 20 years, there has not been parity in the Wisconsin Grants state investment between the higher education sectors even though the average cost of attendance has increased at relatively the same rate and WTCS students have nearly twice the financial need. As shown in figure 1, in FY 1997-98, the WTCS and University of Wisconsin System (UWS) funding levels were much closer than they are today. The Wisconsin Grants funding for UWS has increased 283 percent from \$15.8 million to \$60.4 million. In comparison, the WTCS appropriation has barely doubled, increasing from \$11.2 million to \$23 million in the last two decades.

Figure 1



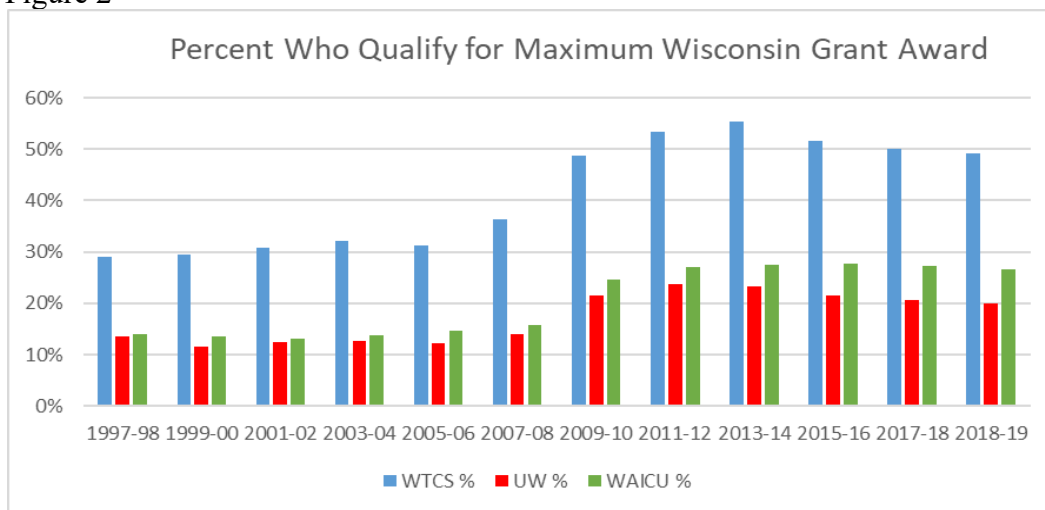
Technical colleges in Wisconsin provide training to many of today’s essential workers, including first responders such as police, fire, emergency medical technician, and paramedic, as well as health occupations including nurses, respiratory therapists, and radiological technology. Last year technical colleges trained over 64,000 first responders and nearly 42,000 health occupation students to meet strong employer demand and provide critical continuing education. In addition, The US Department of Homeland Security identified an extensive list of essential critical infrastructure workers which include farm workers, information technology

professionals and positions in manufacturing, all workers that are primarily educated by the WTCS.

As the low cost, most flexible, higher education provider, the WTCS is the first choice for adult working students and/or those with the greatest financial challenges. Providing additional WTCS Wisconsin Grants funding would enable more students to acquire the essential skills Wisconsin needs to keep safe and restart our economy. Students who are eligible for, but who do not receive Wisconsin Grants, may take fewer credits to spread out their educational costs thus slowing completion of their credential and delaying entry into the workforce.

Wisconsin Technical Colleges not only serve the most students in the state, but those with the highest need. Students who have the highest need are eligible for a maximum award for Wisconsin Grants. As shown in Figure 2, in FY 2018-19 nearly 50 percent of WTCS students are eligible to receive the maximum award, which is significantly higher than the students who enroll in the UWS and Wisconsin Association of Independent Colleges and Universities (WAICU).

Figure 2



Other contributing factors to the higher financial need for WTCS students is that they are typically independent and are returning to school to receive training to enter the workforce several years after high school. In 2018-19, the average age of a WTCS student who was enrolled in an associate degree or technical diploma was 27 years old. In that same year, 65 percent of WTCS students were identified as being independent, where UWS and WAICU students were 22 percent and 28 percent independent, respectively.

In addition to WTCS students being independent, they are also working and, in many cases, raising a family while pursuing a credential to advance their careers and increase their earning potential. To be eligible for a Wisconsin Grant, a student is required to be enrolled at least half-time (6 credit hours) and in a program to receive funding. In 2019, there were 3,058 students who were enrolled quarter-time (3 credit hours), were enrolled in a program and met the financial need to receive a Wisconsin Grant. Allowing students who are enrolled in less than half-time would provide students with identified need with much needed assistance to continue their education and complete a credential.

In 2020, 44.7 million students in the US have accumulated close to \$1.6 trillion in student loan debt. Students with significant financial need are more likely to borrow money and accumulate debt. According to the Student Borrower Protection Center, growing student debt causes lifetime financial challenges and those challenges disproportionately effect people of color. Wisconsin Grants are the primary state aid program designed to assist individuals to complete a post-secondary credential and limit the reliance on debt financing. Increasing Wisconsin Grant aid will help students graduate with less reliance on need for borrowing.

As Wisconsin is facing a historic economic downturn, there will be citizens of the state who are unable to return to their jobs and who need to receive education, training or retraining to support Wisconsin's workforce demands. These potential students who would fill essential positions may be discouraged from attending because of the shortage of WTCS Wisconsin Grants. With eight out of ten Wisconsin adults accessing Wisconsin Technical Colleges -- now, more than ever is an important time for the state to invest in Wisconsin's most valued workforce partner, the WTCS.

REQUEST:

An increase of \$11.8 million GPR in each year of the biennium to increase the average WTCS Wisconsin Grant award to \$1,100 and to expand the pool of eligible students to those enrolled in at least 3 credit hours.



Office of Finance

Sean P. Nelson | 608-262-7540 | snelson@uwsa.edu

Vice President for Finance

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August 2020

Stephen Willett, Chair
Connie Hutchison, Executive Secretary
Higher Educational Aids Board
Via Electronic Mail

Dear Board Chair Willett and Executive Secretary Hutchison:

Enclosed with this letter please find a resolution adopted by the Board of Regents of the University of Wisconsin System at their August 2020 meeting. This resolution contains the recommendation for the Wisconsin Grant-UW program that the Board has requested be included in the Higher Educational Aids Board's (HEAB) 2021-23 biennial budget submission.

Total state funding for the Wisconsin Grant-UW program is \$61,894,100 annually. In the 2019-21 biennial budget, state funding for the Wisconsin Grant-UW program remained flat at the 2018-19 level. Since 2009-10 the number of students eligible for Wisconsin Grant-UW has increased from 25,624 in 2009-10 to 29,725 in 2018-19, an increase of 16 percent. To provide financial aid through the Wisconsin Grant to the growing population of eligible students, the UW System has been unable to increase award amounts to individual recipients.

In addition to the inability to increase award amounts, waitlists on campuses have also increased. In academic year 2019-20, the UW System was short \$2,275,400. To fill this gap and provide funding for all eligible students, the UW System requests \$2,275,400 ongoing funding in 2021-22, for a biennial increase of \$4,550,800.

The requested 2021-23 funding for the Wisconsin Grant program will help more students access and complete a quality higher education program, producing a more highly skilled and educated workforce. Additional resources for the Wisconsin Grant program will also help address student debt and affordability, two areas of growing concern to the citizens of Wisconsin.

Thank you for considering this proposal for inclusion in HEAB's 2021-23 biennial budget request. If you have any questions regarding this request, please do not hesitate to contact my office.

Sincerely,

A handwritten signature in black ink, appearing to read 'SPN', written over a light gray background.

Sean P. Nelson
Vice President for Finance
University of Wisconsin System

I. All Regents

Item 13.

Thursday, August 20, 2020

APPROVAL OF THE 2021-23 UNIVERSITY OF WISCONSIN BIENNIAL OPERATING BUDGET AND FINANCIAL AID REQUEST

REQUESTED ACTION

Adoption of Resolution 13. Approval of the 2021-23 Biennial Budget and Financial Aid Request

Resolution 13. That, upon the recommendation of the President of the University of Wisconsin System, the Board of Regents approves the submission of:

- (1) the Board's 2021-23 Biennial Operating Budget request, totaling \$95,700,000 biennially in GPR for key initiatives;
- (2) the Wisconsin Grant-UW request to the Higher Educational Aids Board for inclusion in its 2021-23 biennial budget request totaling \$4,550,800 biennially;
- (3) a technical request that adjusts the general program operations appropriation and FTE to the UW System's 2020-21 annual operating budget level for academic student fees;
- (4) recommended statutory language changes related to capital bonding, operational bonding, reduced reporting, and Minnesota reciprocity; and
- (5) statutorily-required performance measures for 2021-23.

In addition, the Board of Regents delegates authority to the UW System President to approve and submit a 0% and 5% biennial budget reduction plan, as required by 2015 WI Act 201 and standard budget adjustments for items such fringe benefits should it be determined they are necessary.

SUMMARY

The UW System Board of Regents is required to submit a budget request to the Department of Administration (DOA) by September 15 of each even numbered year. The UW System President provides the Regents, for their consideration, a recommended submission at the August meeting in the same even numbered year.

The UW System's 2021-23 biennial budget request includes a 3.5% General Purpose Revenue (GPR) increase in each year totaling \$95.7 million biennially to support general program operations as well as new programming for:

1. Tuition Promise excluding UW-Madison;
2. Freshwater Collaborative of Wisconsin;
3. Advancing Wisconsin's Teachers and School Leaders;
4. Expanding and Enhancing Online Educational Opportunities;
5. Expanding the Necessary Support for Students' Mental and Behavioral Health;
6. Expanding Educational Opportunity into Wisconsin's Prisons; and
7. Extending Additional Support to Wisconsin's Agricultural Sector.

The budget also includes forwarding a request to the State's Higher Educational Aids Board (HEAB) to increase funding for the Wisconsin Grant-UW by \$4.5 million biennially to fully fund the program at 2019-20 academic year application levels.

Additionally, the budget includes a technical request to increase the general program operations appropriation to the UW System's 2020-21 budgeted levels for academic student fees, request for statutory language changes, state required performance measures and budget reduction exercise.

Presenter

- Sean P. Nelson, Vice President for Finance

Related Policies

- Chapter 16.42, Wis. Stats.
- Chapter 36.112, Wis. Stats.

ATTACHMENTS

- A) The University of Wisconsin System, "2021-23 UW System Biennial Operating Budget Request, August 2020"

ALVERNO COLLEGE
BELLIN COLLEGE
BELOIT COLLEGE
CARDINAL STRITCH UNIVERSITY
CARROLL UNIVERSITY
CARTHAGE COLLEGE
CONCORDIA UNIVERSITY
EDGEWOOD COLLEGE
HERZING UNIVERSITY
LAKELAND UNIVERSITY
LAWRENCE UNIVERSITY
MARIAN UNIVERSITY



WISCONSIN'S PRIVATE, NONPROFIT COLLEGES AND UNIVERSITIES
WORKING TOGETHER FOR EDUCATIONAL OPPORTUNITY

MARQUETTE UNIVERSITY
MEDICAL COLLEGE OF WISCONSIN
MILWAUKEE INSTITUTE OF ART & DESIGN
MILWAUKEE SCHOOL OF ENGINEERING
MOUNT MARY UNIVERSITY
NASHOTAH HOUSE
NORTHLAND COLLEGE
RIPON COLLEGE
ST. NORBERT COLLEGE
VITERBO UNIVERSITY
WISCONSIN LUTHERAN COLLEGE

July 24, 2020

Steve Willett, Chair
Connie Hutchison, Executive Secretary
Higher Education Aids Board
4822 Madison Yards Way
Seventh floor
Madison, WI 53705

Dear Mr. Willett and Dr. Hutchison:

Thank you for including the Wisconsin Association of Independent Colleges and Universities (WAICU's) recommendation for student aid funding in the Higher Educational Aids Board's (HEAB) 2021-23 state biennial budget request. WAICU's recommendation for the private, nonprofit appropriation and supporting information is presented below.

COVID-19 Impact on Students

The impact of the COVID-19 (coronavirus) health pandemic on all sectors of the economy has been profound. Colleges and universities and their students have been particularly hard hit. Based on surveys of WAICU institutions, we estimate the collective impact on WAICU members will exceed \$245,000,000. The toll of this economic distress is most clearly illustrated by the fact that one of our member colleges is closing its doors on August 29. In order to keep students safe, those who had homes were sent home; room and board were refunded. Students who had nowhere else to go or who could not return home remained on campus. The entire curriculum was moved online. Classrooms, dormitories and dining halls, and performance and athletic facilities are being reconfigured and deep cleaned to facilitate social distance. Faculty and staff have been furloughed or laid off and academic programs and the academic calendar restructured. The pandemic has triggered unemployment and a recession. Students and their families are facing financial hardship, raising questions about whether they will return in the fall or achieve their college and career aspirations.

We are profoundly grateful for the funds received from the Federal CARES Act and dollars allocated by Governor Evers. In particular, we appreciate the emergency grants to support students during this difficult time. It is important, when considering state student aid funding, to note that these federal

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President

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www.wisconsinprivatecolleges.org

emergency grants were made to the students and in no way were restricted to educational expenses such as tuition, books, etc. The funds, for example, could be used to replace a flat tire so students could get to work. Unfortunately, even with the increase in these additional federal CARES Act funds, the need of students and their families remain great not only for our most needy students but for students that are now experiencing economic hardship through parental job loss combined with their own inability to acquire gainful summer employment.

The Workforce Crisis Continues

While the pandemic has taken a toll on colleges and universities and students, workforce shortages remain. To develop a competitive economy, it is imperative Wisconsin continues its focus on increasing the educational attainment of the state's population. Sixty-two percent of the projected jobs for 2020 required postsecondary education. In 2040, almost one-quarter of Wisconsin's population will be age 65 or older. Without concrete, scalable action, Wisconsin will increasingly fall behind in the race to develop a qualified workforce. To address the current and looming talent shortfall and to get our economy back on track, Wisconsin needs to act now and embrace policies that enhance college attainment and increase educational opportunity for all Wisconsin citizens, particularly the growing numbers who would otherwise would not have the opportunity due to financial limitations. Investing in aid directly to students is a proven and targeted strategy for Wisconsin. Wisconsin Grants are a well-established vehicle for expanding opportunity. By expanding state grant aid targeted to those, who, without help, would not attend a college or university, Wisconsin will expand its qualified workforce. State spending on need-based aid also helps ensure that low-income students who enter colleges emerge with a degree and helps them keep their debt at manageable levels.

State Spending on Wisconsin Grants

Given the continued need to address critical statewide workforce shortages, it is time that Wisconsin takes the necessary and important step of improving its national ranking on student aid. Our state continues to rank behind both our neighbors and the nation when it comes to student aid funding. Total grant funding per capita in Wisconsin is below the national average. The average size of the grant per student is also below the national average. Wisconsin is not only below the national average; it also is not a leader in the Midwest, ranking behind Minnesota and Indiana in both of these measurements.

Recommendation for Wisconsin Grant Private, Non-Profit

At the Federal level, during discussions of the Senate Health, Education, Labor and Pensions Committee, testifying college and university Presidents spoke to the increased support required by students to ensure they persist to graduation. During those discussions, it was urged that Congress consider doubling the Pell Grant. I recommend that the Wisconsin Grants for the private, nonprofit sector also be doubled. The current grant maximum is \$3,500. Doubling that number brings it to \$7,000. The maximum grant goes to the students with the greatest need. The grants for students not receiving the maximum would also be doubled. This would increase the total annual appropriation by \$28,504,600.

Wisconsin cannot afford to lose a generation of students and employers cannot lose a generation of graduates. I also recommend the appropriations be sum sufficient for all sectors (WAICU, WTCS, and UW).

WAICU Value Proposition for Wisconsin

WAICU members do not receive direct operating support from taxpayers as do public institutions. WAICU members do, however, do their part. Two-thirds of the grant aid distributed to students enrolled in Wisconsin's private colleges are private funds raised by the institutions themselves. WAICU members educate over 52,000 students each year and graduate 23 percent of the state's bachelor's degrees and 35 percent of the state's graduate degrees. Additionally, students attending WAICU members have an outstanding four-year graduation rate. In fact, a student attending a WAICU institution has a 63 percent better chance of graduating in four-years attending a WAICU institution than if they attended a public institution. The Wisconsin Grant program for the private, nonprofit sector provides a significant return on investment for the State of Wisconsin.

Additionally, our member campuses provide \$500 million in institutional support for student aid on an annual basis. WAICU members have "skin in the game" to support our students.

A Note on the Process

I am grateful to the HEAB staff and the board for their courtesy and insightful advice as WAICU formulated our budget recommendation. WAICU also supports requests by the UW System, the Wisconsin Technical College System, and the tribal colleges. WAICU has a long-standing policy of supporting low-income students attending the institution that is the best fit for them. WAICU embraces the state's long-standing policy, established by HEAB in 1968, that taxpayer funded student aid be equitably allocated to Wisconsin students with documented need attending a Wisconsin public, or private, nonprofit college or university.

If I can answer any questions or be of further assistance, please contact me.

Sincerely,



Rolf Wegenke, Ph.D.
President

C: WAICU Presidents
WAICU Financial Aid Officers