

State of Wisconsin
Higher Educational Aids Board

Meeting Minutes
July 29, 2005

Board Members Present: Steve Van Ess, Ann Neviaser, Mary Jo Green, Debra McKinney, Kevin Ingram, Thomas Shields

HEAB Staff Present: Connie Hutchison, John Whitt, Sandy Thomas, Mary Lou Kuzdas, Nancy Wilkison, Sherrie Nelson, Michelle Massen, Cindy Lehrman, Barb Moermond

Others Present: Rolf Wegenke, WAICU; Paul Nelson, WAICU; Tom Heffron, WTCSB; Kristen Hendrickson, UW System Administration; Sharon Wilhelm, UW System Administration; Margaret Zitzer, Marquette University; Dan Goyette, Marquette University; Ben Dobner, Milwaukee School of Engineering

Chairman Steve Van Ess called the meeting to order at 9:03 a.m.

Steve began by thanking the outgoing Board members, Luke Naegele and Colleen Bunner, for their contribution to the Board. He congratulated those members who have had their terms extended, Ann Neviaser and Khalaf Khalaf, both representing the Private and Independent Colleges and Universities, and welcomed Tom Shields to his first Board meeting. Also in the gallery was Liz Tucker who will officially be on the Board when Steve's term ends on September 1, 2005. Tom and Liz both represent the UW schools.

APPROVAL OF MINUTES:

The motion was made by Ann Neviaser to approve the minutes of the February 18, 2005 Board meeting and was seconded by Kevin Ingram. The minutes were approved

REPORT OF THE EXECUTIVE SECRETARY:

Connie Hutchison introduced two new HEAB staff members to the Board. Michelle Massen is working part time in personnel and accounting. Cassie Weisensel is an LTE helping fill the gap left by Alice Winters who has retired after serving at HEAB for 27 years. Alice has been in charge of the Academic Excellence Scholarship from its inception. Connie wished to offer a note of appreciation for all she has contributed to HEAB. She also took time to acknowledge the work done by the HEAB staff, all of whom were in attendance.

A special presentation was made for the outgoing Board Chairman, Steve Van Ess, who is retiring in September of this year. Connie thanked Steve for the help he has offered her as the Executive Secretary of HEAB. He has been a great asset to both the Board and the HEAB staff. On behalf of all, he was presented with an inscribed gavel noting his years of service to the Board. Steve took a moment to thank the members of the Board and other attendees to Board meetings for their dedication. He also touted the cooperation of the various sectors in administering financial aid to the students of Wisconsin. In closing he cited Connie and the HEAB staff for the incredible amount of work accomplished by a small staff and their willingness to accommodate any request made by his office. Steve also asked that the minutes reflect the Board's appreciation for Alice Winter's years of dedicated service. Ann Neviaser asked that the minutes also reflect the Board's appreciation for Steve's years of devoted service to the students of Wisconsin.

State Budget

Connie presented the Board with an update on the State Budget recently passed by the Legislature and revised by Governor Doyle. The financial aid community was greatly and positively affected by Governor Doyle's vetoes. Money was added to WHEG-WTC and the Tuition Grant. The 6% increase per year for both sectors was unexpected, and due in part to the concentrated efforts made by the various administrators, college presidents and chancellors, financial aid staff, and by Dr. Rolf Wegenke and Paul Nelson of WAICU. The Legislature had taken out \$11 million of UW WHEG and through the use of the veto, Governor Doyle was able to restore \$8 million. In the end all three sectors came out ahead. The Tuition Grant formula will need to be changed. The only change to the UW formulas will be to cap awards at \$2500 because a proposal by the Governor to increase the maximum grant from \$2500 to \$3000 was taken out by Joint Finance and the Governor was unable to increase the cap using the veto. The Governor was also unable to restore the .64 percent position that HEAB lost. This brings current staff numbers to nine instead of eleven. Connie will be going to Joint Finance to try to restore the position and it's funding in September or October. In this new budget HEAB also received money and staff for the computer rewrite that is so sorely needed. Dr. Wegenke was thanked for his efforts to help convince Legislators to include this item in the budget. Connie has asked staff to list items they would like addressed in the rewrite and has also asked that WASFAA set up listening sessions for financial aid personnel input as well.

College Goal Sunday

In February WASFAA will sponsor a one day workshop set up in various locations around the state to help students and parents fill out the FAFSA. It is hoped that it will help students apply early, it will help families filling out the FAFSA for the first time, and it will help low income students think about the resources available for funding college. Connie will serve on the planning committee.

Current Legislation

At the last Board meeting further discussion of statute changes made for the Academic Excellence Scholarship was tabled because current pending legislation could make the changes suggested to the Board. Senator Fred Risser has a bill that will change the way in which alternates are chosen for schools which use a traditional grading system. Currently alternates must have the exact grade point as the initial recipient to get a scholarship which has been released. This legislation is still active, but may not see any movement this fall because of the time being spent on the budget. Senator Ron Brown also has pending legislation concerning the Academic Excellence Scholarship which would affect the Technical College system. This bill would broaden the opportunities for students to receive the scholarship if they are enrolled in a two-year certificate program. This bill is still in the drafting stages and was not available to share with the Board

BOARD REPORT #06-01 MINNESOTA-WISCONSIN RECIPROCITY PROGRAM APPROVED ADMINISTRATIVE MEMORANDUM OF UNDERSTANDING

Annually the Joint Committee on Finance reviews the Administrative Memorandum for the Minnesota-Wisconsin Interstate Tuition Reciprocity Program. The Minnesota Higher Education Services Office and the Wisconsin Joint Finance Committee have approved the 2005-2006 memorandum. The basic agreement remains the same. An article from the Wisconsin State Journal highlighted the problems that cause rumors saying there will be an end, or drastic changes to the program. Wisconsin students attending Minnesota schools are paying less in tuition than Minnesota students attending Minnesota schools. Wisconsin students pay comparable tuition to schools in Wisconsin which have lower tuition rates. The disparity is made up in a lump sum paid to Minnesota at the end of the year. This year Wisconsin paid \$6 million to the general fund of Minnesota. In past years, Minnesota has made similar payments to Wisconsin. While there is always talk of altering the agreement, it is far too popular on both sides of the border to warrant ending it all together. If any changes are made, HEAB would suggest that they be phased in over a period of four years so students currently attending school are not hit with a much higher tuition rate in mid program.

BOARD REPORT #06-02 STATUS OF 2004-05 AND 2005-06 APPLICANTS AND PROGRAMS

In 2004-05 WHEG-UW has committed 134.23% (\$45,352,463) of its appropriation with 31,271 awards. This is 3911 more awards and 1.08% less committed than at this time last year. The final commitment for 2003-04 was 135.32%. WHEG-WTC has committed 165.77% (\$24,784,106) of its appropriation with 33,134 awards. This is 4226 more awards and 1.92% less committed than at this time last year. The "W" and "Z" codes were used, again due to a dramatic increase in eligible applicants. The final commitment for 2003-04 was 167.69%. WTG has committed 101.78% (\$22,869,116) of its appropriation with 10,594 awards. This is 690 more awards and 6.62% more committed than at this time last year. The final commitment for 2003-04 was 95.16%. The number of applicants through June 1, 2005, for the 2004-05 academic year was 236,786.

In the current academic year WHEG-UW has committed 108.49% (\$43,457,646) of its appropriation with 23,203 awards. This is 635 fewer awards and 10.04% more committed than at this time last year. In 2004-05 the program had committed 98.45% of its appropriation at this time. Note: The appropriation recommended by the Joint Finance Committee, plus \$3,000,000 of the \$8,000,000 the Governor restored to WHEG-UW, was used to calculate the committed percentage. WHEG-WTC has committed 120.16% (\$18,944,751) of its appropriation with 24,006 awards. This is 280 fewer awards and 1.47% less committed than at this time last year. In 2004-05 the program had committed 121.63% of its appropriation at this time. Note: The appropriation recommended by the Joint finance Committee was used to calculate the committed percentage. WTG has committed 111.43% (\$24,630,156) of its appropriation with 9652 awards. This is 499 less awards and 3.15% more committed than at this time last year. The number of applicants through July 12, 2005 for the 2003-04 academic year is 172,167. Last year at this time there were 164,415 applicants.

BOARD REPORT #06-03 ADDITION OF EX-OFFICIO MEMBER FROM TRIBAL COLLEGE SECTOR

There are currently four sectors for which Wisconsin Higher Education Grant (WHEG) or Tuition Grant (TG) appropriations are made by the legislature: the Wisconsin Technical College System; the University of Wisconsin System; the Wisconsin Independent Colleges and Universities; and the Tribal Colleges. The only sector without statutory board representation is the Tribal Colleges. The Legislature would have to act in order to add a new voting member to the Higher Educational Aides Board. However, the Board does have the authority to create a position for a non-voting member. It was recommended that the Board create one ex-officio board position for the Tribal Sector. The Tribal Colleges would choose their representative and this would be a non-voting position.

Kevin Ingram moved that the Board accept the recommendation as presented by the Executive Secretary, and it was seconded by Ann Neviasser. Debra McKinney offered a friendly amendment adding that the new member must be from a school whose students are eligible for WHEG or TG funds only. Kevin Ingram accepted the friendly amendment. Ann Neviasser then posed a second friendly amendment stating that this proposed change in board membership be reviewed at the end of the first 3-year term. It was approved by Kevin Ingram. The motion, as amended, passed unanimously.

15 minute break

BOARD REPORT #06-04 RETURN OF FUNDS POLICY REVISION

During the past year, the Legislative Audit Bureau notified HEAB that the Return of Funds policy was somewhat unclear, and was being interpreted in various ways by various campuses. HEAB staff met with the WASFAA State Issues Committee to discuss how the policy could be clarified. Board members were given a working draft showing additions and deletions and the recommended draft of the new policy.

Debra McKinney moved to accept the new policy as presented on July 29. It was seconded by Tom Shields and passed unanimously.

BOARD REPORT #06-05 REVIEW OF 2005-06 TG AND WHEG PROGRAM FORMULAS

Formulas for 2005-06 WHEG and TG were developed in January and approved at the February 18, 2005 board meeting. The appropriations used in developing the formulas were those put forth by the Governor

in his 2005-07 budget proposal. As the budget went through the legislative process, appropriations for TG and WHEG-Technical Colleges were increased, and the appropriation for WHEG-UW was decreased. The appropriation for WHEG-Tribal remained unchanged. With the finalization of the 2005-07 budget, there was a substantial change in the TG appropriation. Governor Doyle recommended an appropriation of \$22,473,700 for the 2005-06 fiscal year, and increase of \$370,000. The Legislature appropriated \$23,429,900. This amount was not changed before the Budget Bill was signed by Governor Doyle. This substantial, unexpected increase resulted in a new formula recommendation.

The recommendation of WAICU president, Dr. Rolf Wegenke, is to increase the maximum award from \$2500 to \$2850 and to increase the minimum award from \$250 to \$500. Additionally, there are proposed changes to the Inflation Factors and the Base Maintenance Amounts as outlined on Table 1 provided to Board members. HEAB Executive Secretary, Connie Hutchison, agrees with the recommendation of WAICU and Dr Rolf Wegenke.

Ann Neviasser moved that the recommendation be accepted and it was seconded by Deb McKinney. The motion passed unanimously.

OTHER ISSUES

NASSGAP Survey Data

The National Association of State Student Grant and Aid Programs (NASSGAP) has completed its 2003-04 Annual Survey report on State-Sponsored Student Financial Aid. This survey was handed out to Board members. Connie will readdress this material at the October board meeting.

Election of Board Officers

Elections were held for the three Board officer positions, Chairman, Vice-Chairman, and Secretary.

Steve Van Ess opened the floor to nominations for Chairman. Ann Neviasser nominated Mary Jo Green. No other nominations were forthcoming and Mary Jo was elected unanimously to the position.

Nominations for the position of Vice-Chairman were taken. Debra McKinney nominated Ann Neviasser for a second term in the position. With no other nominations Ann was unanimously voted into the position.

Nominations for Secretary were accepted. Ann Neviasser nominated Debra McKinney. She was unanimously voted to the position.

NEW BUSINESS

Dates were chosen for the next four Board meetings. They are as follows: October 14, 2005; February 10, 2006; April 28, 2006; and July 21, 2006.

Tom Shields moved that the meeting be adjourned, second by Debra McKinney, and Chairman Steve Van Ess brought down his gavel at 10:50.

Respectfully submitted by
Mary Jo Green, Secretary