

**INFORMATION**  
**October 13, 2006**

**HIGHER EDUCATIONAL AIDS BOARD**

**BOARD REPORT #07-08**

**2007-2009 BIENNIAL BUDGET REQUEST**



**State of Wisconsin**  
**Higher Educational Aids Board**

P.O. Box 7885  
Madison, WI 53707-7885

E-Mail: [HEABmail@heab.state.wi.us](mailto:HEABmail@heab.state.wi.us)

Telephone: (608) 264-6181  
Fax: (608) 267-2808

Web Page: <http://heab.state.wi.us>

**James E. Doyle**  
Governor

**Connie L. Hutchison**  
Executive Secretary

September 20, 2006

Stephen Bablitch, Secretary  
Department of Administration  
101 East Wilson Street  
P. O. Box 7864  
Madison, WI 53707-7864

Dear Secretary Bablitch,

Enclosed is the 2007 – 2009 Biennial Budget Request for the Higher Educational Aids Board.

HEAB recognizes the financial constraints of the current state budget. However, in addition to the request developed under the biennial budget guidelines, the Higher Educational Aids Board has submitted its prioritized list for critical financial aid programs in the event that the budget picture becomes brighter in the upcoming months. The Board worked hard to pare down the list, leaving only those decision items they felt would be most beneficial to the neediest Wisconsin students.

I look forward to discussing our budget request with you. Please call if you have any questions.

Sincerely,

Connie Hutchison  
Executive Secretary

Cc: Legislative Fiscal Bureau

**HIGHER EDUCATIONAL AIDS BOARD  
2007 – 2009 BIENNIAL BUDGET REQUEST  
TABLE OF CONTENTS**

Decision Item Priority Listing.....1

Board Prioritized Decision Item Listing.....2

Agency Structure and Functions.....3-4

Current Organization Chart.....5

**I. PROGRAM ONE: PROGRAMS AND POLICY – STUDENT SUPPORT ACTIVITIES**  
(Narratives are included on B-2 Forms)

Program One Descriptions.....6-10

Program One Decision Items and Board Prioritized Decision Items.....11-66

(01) Tuition Grant.....12-14  
    Sub Unit Summary  
    Decision Item 2000     Adjusted Base Level Funding  
    Decision Item 4501     Tuition Grant Funding

(02) Wisconsin Higher Education Grant – Technical.....15-17  
    Sub Unit Summary  
    Decision Item 2000     Adjusted Base Level Funding  
    Decision Item 4502     Wisconsin Higher Education Grant – Technical Funding

(03) Dental Education Contract.....18-20  
    Sub Unit Summary  
    Decision Item 2000     Adjusted Base Level Funding  
    Decision Item 4503     Dental Education Contract Funding

(04) MN – WI Reciprocity Agreement.....21-23  
    Sub Unit Summary  
    Decision Item 2000     Adjusted Base Level Funding  
    Decision Item 4504     MN–WI Reciprocity Agreement Funding

(05) Academic Excellence.....24-26  
    Sub Unit Summary  
    Decision Item 2000     Adjusted Base Level Funding  
    Decision Item 4505     Academic Excellence Funding

(06) Wisconsin Higher Education Grants–UW.....27-29  
    Sub Unit Summary  
    Decision Item 2000     Adjusted Base Level Funding  
    Decision Item 4506     Wisconsin Higher Education Grants–UW Funding

(07) Minority Undergraduate Grants.....30-32  
    Sub Unit Summary  
    Decision Item 2000     Adjusted Base Level Funding  
    Decision Item 4507     Minority Undergraduate Grants Funding

(08) Minority Teacher Loan.....	33-35
Sub Unit Summary	
Decision Item 2000	Adjusted Base Level Funding
Decision Item 4510	Minority Teacher Loan Funding
(09) Handicapped Student Grants.....	36-38
Sub Unit Summary	
Decision Item 2000	Adjusted Base Level Funding
Decision Item 4512	Handicapped Student Grants Funding
(10) Talent Incentive Grants.....	39-41
Sub Unit Summary	
Decision Item 2000	Adjusted Base Level Funding
Decision Item 4514	Talent Incentive Grants Funding
(11) Teacher Education Loan Program.....	42-44
Sub Unit Summary	
Decision Item 2000	Adjusted Base Level Funding
Decision Item 4515	Teacher Education Loan Program Funding
(12) Teacher of the Visually Impaired Loan Program.....	45-47
Sub Unit Summary	
Decision Item 2000	Adjusted Base Level Funding
Decision Item 4516	Teacher of the Visually Impaired Loan Program Funding
(13) Nursing Student Loan Program.....	48-50
Sub Unit Summary	
Decision Item 2000	Adjusted Base Level Funding
Decision Item 4517	Nursing Student Loan Program Funding
(14) Affordable College Education Grants (New Program).....	51-52
Sub Unit Summary	
Decision Item 2000	Adjusted Base Level Funding
Decision Item 4518	Affordable College Education Grants Funding
(15) Veterans Tuition Remission Reimbursement (New Program).....	53-54
Sub Unit Summary	
Decision Item 2000	Adjusted Base Level Funding
Decision Item 4519	Veterans Tuition Remission Reimbursement Funding
(16) Indian Student Assistance.....	55-57
Sub Unit Summary	
Decision Item 2000	Adjusted Base Level Funding
Decision Item 4532	Indian Student Assistance Funding
(17) Wisconsin Higher Education Grants – Tribal.....	58-61
Sub Unit Summary	
Decision Item 2000	Adjusted Base Level Funding
Decision Item 4533	Wisconsin Higher Education Grants – Tribal Funding
B-3 Revenue and Balance Form	
(18) Federal Aid: Aids to Individuals and Organizations.....	62-65
Sub Unit Summary	
Decision Item 2000	Adjusted Base Level Funding

Decision Item 4541 Federal Aid: Aids to Individuals and Organizations Funding

II. PROGRAM TWO: ADMINISTRATION AND FISCAL SERVICES

Program Two Descriptions.....	66
(01) Restore .64 Position Eliminated in 0507 Budget.....	67-69
Narrative	
B-42 Decision Item 4560	
B-10 Decision Item 4560	
(02) General Program Operations.....	70-78
Sub Unit Summary	
Decision Item 3003 Full Funding of Base Salaries and Fringes	
Decision Item 3005 Reclassification and Semi-Automatic Pay Progression	
Decision Item 4518 Affordable College Education Grant Staff Position	
(03) Student Interest Payments.....	79-82
Sub Unit Summary	
Decision Item 200	
(04) B-1 Listing of Positions.....	83-86
III. Proposed Statutory Language Changes (DIN 7005).....	87-108
(01) Tie TG to UW Tuition and Make Funds Transferable Between Fiscal Years.....	88-92
(02) Tie WHEG - WTCS to Tuition and Make Funds Transferable Between Fiscal Years.....	93
(03) Change the WHEG Maximum from a Dollar Amount to a Calculated Amount.....	94-96
(04) Affordable College Education Grants.....	97-103
(05) Veterans Tuition Remission Reimbursement.....	104-113
IV. Budget Summary.....	114-118
(01) B-7 Summary	
2007 – 2009 Biennial Budget Request (Budget Instructions).....	115
2007 – 2009 Board Prioritized Biennial Budget Request.....	116
(02) B-5 Department Program Structure File Maintenance.....	117
B-6 Department Approved Structure File Maintenance.....	118
V. Performance Measures	
Academic Excellence Scholarship and Minority Teacher Loan.....	119-122

HIGHER EDUCATIONAL AIDS BOARD  
DECISION ITEM PRIORITY LISTING

HEAB recognizes the financial constraints of the current state budget. However, if additional revenue does become available, financial assistance programs administered by the Higher Educational Aids Board (HEAB) for postsecondary education should be considered for increased funding. Please see the Board Prioritized Decision Item Listing on the following page.

All items listed below are of equal priority:

Connie Hutchison is the contact for all Decision Items

<u>Description</u>	<u>Decision Item</u>
<b>Program One - Programs and Policy</b>	
Tuition Grants	4501
WHEG Technical College	4502
Dental Education Contract	4503
MN/WI Reciprocity	4504
Academic Excellence Scholarship	4505
WHEG University of WI	4506
Minority Undergraduate Grants	4507
Minority Teacher Loan	4510
Nursing Student Loan	4517
Handicapped Grant	4512
Talent Incentive Grant	4514
Teacher Education Loan	4515
Loan for Teachers of Visually Impaired	4516
Indian Student Assistance	4532
WHEG Tribal Colleges	4533
<b>Program Two - Administration and Fiscal Services</b>	
Restore .64 position eliminated in the 0507 Budget	4560
<b>Proposed Statutory Language Changes</b>	7005

HIGHER EDUCATIONAL AIDS BOARD  
BOARD PRIORITIZED DECISION ITEM LISTING

While recognizing the financial constraints of the current state budget, the Higher Educational Aids Board also stresses the importance of acknowledging the on-going gap between student need and funds available. Therefore, if additional revenue becomes available, financial assistance programs administered by the Higher Educational Aids Board (HEAB) should be considered for additional funding. Listed below are those specific programs the board feels should be considered in the case of unexpected revenues. The narratives providing details and justifying these requests are found on the B-2 forms and in the section on statutory language changes.

Connie Hutchison is the contact for all Decision Items

<u>Description</u>	<u>Decision Item</u>
<b>Program One - Programs and Policy</b>	
<b>PRIORITY ONE</b>	
Tuition Grants	4501
WHEG Technical College	4502
WHEG University of WI	4506
Minority Undergraduate Grants	4507
Talent Incentive Grant	4514
WHEG Tribal Colleges	4533
New Program: Affordable College Education Program	4518
New Program: Veterans' Tuition Remission Reimbursement Program	4519
<b>Program Two - Administration and Fiscal Services</b>	
<b>PRIORITY ONE</b>	
Restore 0.64 position eliminated in the 0507 Budget	4560
<b>Proposed Statutory Language Changes</b>	7005
<b>PRIORITY ONE</b>	
<ul style="list-style-type: none"><li>• Tie TG to UW Tuition and Make Funds Transferable Between Fiscal Years</li><li>• Tie WHEG - WTCS to Tuition and Make Funds Transferable Between Fiscal Years</li><li>• Change the WHEG Maximum from a Dollar Amount to a Calculated Amount</li><li>• New Program: Veterans Tuition Remission Reimbursement</li><li>• New Program: Affordable College Education Grant</li></ul>	

## **HIGHER EDUCATIONAL AIDS BOARD (HEAB) Structure and Functions**

The Higher Educational Aids Board is responsible for administering Wisconsin student financial aid programs. The agency is made up of the executive secretary and ten (10) additional permanent classified staff members. 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

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 and independent institutions; one citizen member to represent the general public; and a designee of the state superintendent of public instruction. At its July 29, 2005 meeting, the Higher Educational Aids Board voted to add an ex-officio nonvoting member representing the Tribal Colleges. This member's first meeting was in October, 2005.

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; Talent Incentive Program Grant; Teacher Education Loan; Teacher of the Visually Impaired Loan; Wisconsin Higher Education Grant; and the Wisconsin Tuition Grant. Program Two includes the costs of administering the activities of Program One along with costs associated with servicing contracts associated with the Medical College of Wisconsin, the Independent Student Grant, Nursing Student Stipend Loan, Paul Douglas Scholarship, Wisconsin Health Education Assistance Loan, and the Wisconsin Nonguarantee Loan.

### **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.

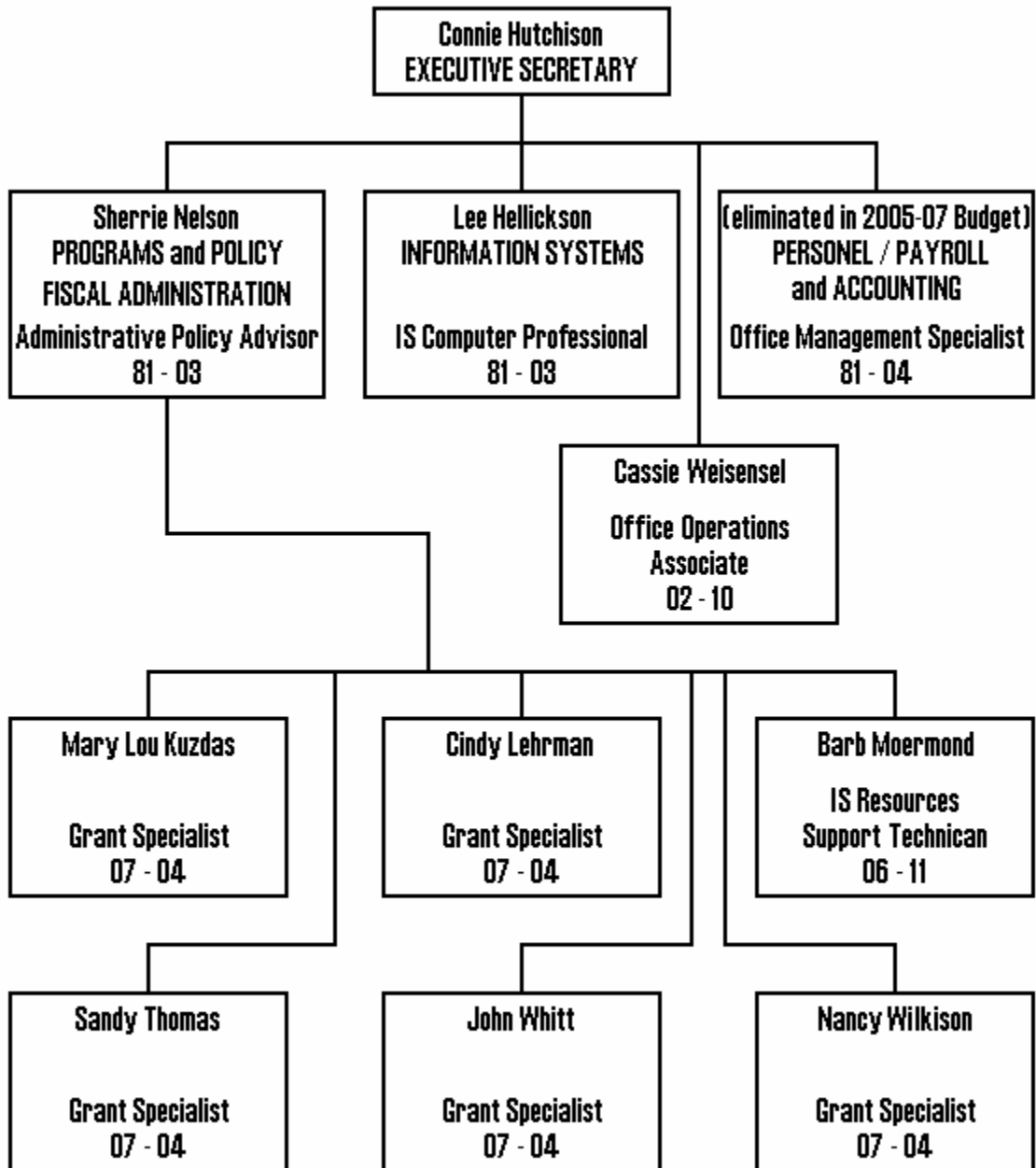
### **Goals and Strategies**

1. HEAB strives to ensure that all Wisconsin residents have equal access to higher education by:
  - 1.1. Working to remove all financial barriers in order to ensure educational opportunity for all Wisconsin citizens commensurate with their desires and abilities.



- 1.2. Providing support of educational diversity by allowing students freedom to choose educational programs based on their interests and abilities.
2. HEAB provides information and assistance regarding financial aid to our public, including students, schools, the state legislature, other state agencies and other organizations by:
  - 2.1. Continuing to improve awareness of State of Wisconsin funded financial aid programs through the use of printed materials, electronic communications, the HEAB website and workshops.
  - 2.2. Continuing to provide additional training to agency staff in order to: facilitate communication with students and participating Wisconsin schools; disseminate information; and identify problems and concerns.
  - 2.3. Ensuring that agency staff has the training and equipment necessary to provide information and assistance in a timely and courteous manner.
3. HEAB continues its use of technology to improve existing and provide new tools for the administration of state financial aid programs by:
  - 3.1. Rewriting our mainframe programs to ensure that information is processed in the most timely and accurate methods possible.
  - 3.2. Expanding and refining our internal local area network (LAN) capabilities.
  - 3.3. Utilizing new and advancing technologies to update and modernize existing mainframe programs.
  - 3.4. Reviewing emerging technologies for application to HEAB.
  - 3.5. Continuing agency-wide participation in technology planning and implementation.
  - 3.6. Improving service by the continued sharing and exchange of information using electronic methods.
  - 3.7. Providing opportunities for agency staff to research and develop new systems to optimize the use of technology.
4. HEAB continues to fulfill its mission because of the quality of its agency staff. HEAB supports the development of staff skills by:
  - 4.1. Providing a healthy and safe work environment.
  - 4.2. Promoting training and growth opportunities for staff.
  - 4.3. Promoting positive communication, cooperation and mutual respect among staff.
  - 4.4. Continuing to promote diversity in the workplace.
5. HEAB will strive to continue to meet and exceed the needs and expectations of its customers in 2007 through 2009 by:
  - 5.1. Working with our customers to test and continually improve our processing programs.
  - 5.2. Reviewing statutes and administrative rules that affect HEAB.
  - 5.3. Examining the possibility of expanding the reciprocity programs to other states.
  - 5.4. Evaluating, with input from our customers, the current grant program formulas.
  - 5.5. Annually updating, with input from our customers, the HEAB Policies and Procedures Manual.
  - 5.6. Working to update and expand a statistical database for use in tracking and monitoring trends in Wisconsin financial aid.

**STATE OF WISCONSIN  
HIGHER EDUCATIONAL AIDS BOARD  
ORGANIZATIONAL CHART**



## **PROGRAM ONE DESCRIPTIONS**

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; Talent Incentive Program Grant; Teacher Education Loan; Teacher of the Visually Impaired Loan; Wisconsin Higher Education Grant; and the Wisconsin Tuition Grant.

### **GRANTS**

Wisconsin Higher Education Grant (WHEG)  
Wisconsin Tuition Grant (WTG)  
Talent Incentive Program Grant (TIP)  
Indian Student Assistance Grant  
Minority Undergraduate Retention Grant  
Hearing & Visually Handicapped Student Grant  
[Which Grants are Available at Which Schools](#)

### **TUITION RECIPROCITY AGREEMENTS**

Minnesota-Wisconsin Tuition Reciprocity  
Reciprocity Agreements with Other States

### **SCHOLARSHIPS**

Academic Excellence Scholarship

### **LOANS**

Minority Teacher Loan  
Nursing Student Loan  
Teacher Education Loan  
Teacher of the Visually Impaired Loan

### **TUITION CAPITATION CONTRACTS**

Contract for Dental Education  
Medical College of Wisconsin Capitation

## **GRANTS**

Grants are "gift" aid and do not have to be repaid. Eligibility for grants is based primarily on financial need, and each grant program has specific eligibility requirements.

### **WISCONSIN HIGHER EDUCATION GRANT**

The Wisconsin Higher Education Grant (WHEG) Program provides grants to undergraduate Wisconsin residents enrolled at least half-time in degree or certificate programs at University of Wisconsin, Wisconsin Technical College, and Tribal institutions. Awards are based on financial need. Eligibility cannot exceed ten semesters.

### **WISCONSIN TUITION GRANT**

The Wisconsin Tuition Grant (WTG) Program provides grants to undergraduate Wisconsin residents enrolled at least half-time in degree or certificate programs at non-profit, independent colleges or universities based in Wisconsin. Awards are based on financial need and partially based on that portion of tuition in excess of UW - Madison tuition. The maximum award amount is established annually by HEAB. Eligibility cannot exceed ten semesters.

### **TALENT INCENTIVE PROGRAM GRANT**

The Talent Incentive Program (TIP) Grant provides grants to the most financially needy and educationally disadvantaged Wisconsin resident students attending Wisconsin colleges and universities. First-time freshmen students are nominated for the TIP Grant by the school financial aid offices or by counselors of the Wisconsin Educational Opportunity Programs (WEOP). To continue to receive the TIP

Grant, students must be enrolled consecutive terms and continue to show financial need. Eligibility cannot exceed ten semesters. Funding for the TIP Grant is provided by both the State of Wisconsin and the Federal Government.

### **INDIAN STUDENT ASSISTANCE GRANT**

Awards are made to Wisconsin residents who are at least 25% Native American and are undergraduate or graduate students enrolled in degree or certificate programs at University of Wisconsin, Wisconsin Technical and Tribal Colleges, independent or proprietary colleges and universities based in Wisconsin. Awards are based on financial need with a limit of ten semesters of eligibility. HEAB has an informal matching arrangement with grant funds awarded by the Federal Bureau of Indian Affairs and Wisconsin Tribal governments.

### **MINORITY UNDERGRADUATE RETENTION GRANT**

Awards program are made to Wisconsin resident minority undergraduates, excluding first year students, enrolled at least half-time in Wisconsin Technical Colleges, Tribal Colleges, and Wisconsin-based independent or private non-profit colleges and universities. According to the statutes, a minority student is defined as a student who is either an African American; American Indian; Hispanic; or Southeast Asian from Laos, Cambodia, or Vietnam admitted to the U. S. after December 31, 1975. Awards are based on financial need with a maximum grant of \$2,500 per year for up to eight semesters or twelve quarters. The UW System Administration administers a similar program, the Ben R. Lawton Minority Undergraduate Retention Grant, for University of Wisconsin System students.

### **HEARING & VISUALLY HANDICAPPED STUDENT GRANT**

The Handicapped Student Grant Program provides funding for undergraduate Wisconsin residents with financial need and severe or profound hearing or visual impairment, enrolled at in-state or eligible out-of-state public or independent institutions. Students are eligible to receive up to \$1,800 per year for up to ten semesters.

### **SCHOLARSHIPS**

Scholarships are "gift" aid and do not have to be repaid. Unlike grants, eligibility for scholarships is usually based on merit or achievement, rather than financial need.

### **ACADEMIC EXCELLENCE SCHOLARSHIP**

Academic Excellence Scholarships are awarded to high school seniors with the highest grade point average of their graduating class in every Wisconsin High School. The number of scholarships allotted each high school 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 as 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 matched by the institution.

## **LOANS**

Unlike grants and scholarships, loans must be repaid. The current state loan programs were created to address specific needs in Wisconsin. Some or all of the debt from these loans may be forgiven if the student works in Wisconsin in the specified field after completing their degree.

### **MINORITY TEACHER LOAN**

The Minority Teacher Loan Program provides loans to Wisconsin resident, minority, undergraduate juniors or seniors who are enrolled full-time in programs leading to teacher licensure at an independent or University of Wisconsin Institution. The maximum award per year is \$2,500 with an overall maximum of \$5,000. According to the statutes, a minority student is defined as a student who is either an African American; American Indian; Hispanic; or Southeast Asian from Laos, Cambodia, or Vietnam admitted to the U. S. after December 31, 1975. The student who participates in this program must agree to teach in a Wisconsin school district in which minority students constitute at least 29% of total enrollment or in a school district participating in the inter-district pupil transfer (Chapter 220) program. For each year the student teaches in an eligible school district, 25% of the loan is forgiven. If the student does not teach in an eligible district, the loan must be repaid at an interest rate of 5%.

### **NURSING STUDENT LOAN**

The Nursing Student Loan Program provides loans to Wisconsin residents enrolled at least half-time at an eligible in-state institution that prepares them to be licensed as RNs or LPNs. The maximum award per year is \$3,000 with an overall maximum of \$15,000. For each of the first two years the student works as a nurse and meets the eligibility criteria, 25% of the loan is forgiven. The balance remaining after forgiveness must be repaid at an interest rate of 5%. If the student does not practice nursing in Wisconsin the loan must be repaid at an interest rate of 5%.

### **TEACHER EDUCATION LOAN**

The Teacher Education Loan Program provides loans to Wisconsin residents enrolled in the teacher education programs at the Milwaukee Teacher Education Center (MTEC). The student who receives this loan must agree to teach in the Wisconsin school district operating under Chapter 119 of the Wisconsin State Statutes, First Class City School System (currently only the Milwaukee Public Schools). For each year the student teaches in the eligible school district, 50% of the loan is forgiven. If the student does not teach in the eligible district, the loan must be repaid at an interest rate of 5%.

### **TEACHER OF THE VISUALLY IMPAIRED LOAN**

The Teacher of the Visually Impaired Loan Program provides loans to Wisconsin residents are enrolled at least half-time at an in-state or eligible out-of-state institution in a program that prepares them to be licensed as teachers of the visually impaired or as orientation and mobility instructors. The maximum award per year is \$10,000 with an overall maximum of \$40,000. The student who participates in this program must agree to be a licensed teacher or an orientation or mobility instructor in a Wisconsin school district, the Wisconsin Center for the Blind and Visually Impaired, or a cooperative educational service agency. For each of the first two years the student teaches and meets the eligibility criteria, 25% of the loan is forgiven. For the third year, 50% is forgiven. If the student does not teach and meet the eligibility criteria, the loan must be repaid at an interest rate of 5%.

## **TUITION RECIPROCITY**

Tuition reciprocity agreements reduce the cost of out-of-state tuition for Wisconsin residents attending specific schools in other states.

### **MINNESOTA-WISCONSIN TUITION RECIPROCITY**

The MN-WI Tuition Reciprocity Program provides tuition reciprocity for Wisconsin residents who enroll in an eligible Minnesota public institution program on a space available basis. Students who qualify pay the established reciprocity fee for course work that is available at public institutions in Wisconsin. Professional students enrolling in a Doctor of Medicine, a Doctor of Dental Sciences, or a Doctor of Veterinary Medicine program are not eligible for tuition reciprocity under this program.

### **RECIPROCITY AGREEMENTS WITH OTHER STATES**

Under [s. 39.42](#) of the statutes, HEAB, with the approval of the Joint Committee on Finance, or the governing boards of any publicly-supported, postsecondary institution, with the approval of HEAB and the Finance Committee, may enter into reciprocity agreements with appropriate state educational institutions in other states. Under this authority, the state has entered into education reciprocity agreements with community and technical colleges in Michigan, Illinois, and Iowa.

### **UNIVERSITY OF WISCONSIN SYSTEM MICHIGAN RECIPROCITY AGREEMENT**

This agreement, which was established in 1967, is between a two-year UW System campus, UW College - Marinette, and two community colleges in Michigan, Gogebic Community College in Iron Mountain and Bay de Noc Community College in Escanaba. This agreement applies only to those individuals located in Menominee County in Michigan, and in Marinette and Iron Counties in Wisconsin. Under the agreement, a resident of Menominee County, Michigan may enroll at UW College - Marinette and pay Wisconsin resident tuition. Similarly, residents of Iron County and Marinette County may enroll at Gogebic Community College or Bay de Noc Community College and pay Michigan resident tuition rate. For admissions purposes, students are treated as residents of the state in which they are enrolled. The agreement provides for automatic renewal unless either state provides written notice terminating the agreement. Such notice must be given at least 12 months prior to the academic year for which the agreement would be terminated.

### **WISCONSIN TECHNICAL COLLEGE SYSTEM MICHIGAN RECIPROCITY AGREEMENT**

The agreement with Michigan was first established in 1981 and involves three Wisconsin Technical College districts (Nicolet Area, Wisconsin Indianhead, and Northeast Wisconsin) and Bay de Noc Community College and Gogebic Community College. Under the agreement, Michigan residents attending any of the three Wisconsin Technical Colleges pay Wisconsin's resident tuition rate, and Wisconsin residents attending the Michigan colleges pay Michigan's resident tuition rate. In addition, the agreement provides that a resident of one of the states whose employer is located in the other state and whose employer pays his or her tuition, shall be considered a resident of the other state for tuition purposes. The agreement is automatically renewed each year.

### **ILLINOIS RECIPROCITY AGREEMENT**

Three WTCS districts have reciprocity agreements with colleges in Illinois: Gateway with the College of Lake County, McHenry County College, and Rock Valley College; Blackhawk and Chippewa Valley

with Rock Valley. Participating students from both states are charged Wisconsin resident tuition. While priority for admission is given to residents of the state in which the college is located, after their first semester, students enrolled under the agreement are given the same priority as residents, but no state resident may be displaced due to this agreement.

### **IOWA RECIPROCITY AGREEMENT**

Effective in the 1996-97 academic year, this agreement is between Southwest Wisconsin Technical College in Wisconsin and Northeast Iowa Community College, with campuses in Calmar and Peosta, Iowa. Participating students are treated as residents for tuition purposes; however, priority for initial admission is given to state residents.

### **TUITION CAPITATION**

Tuition capitation contracts provide fixed tuition subsidies for limited numbers of Wisconsin residents at specific graduate-level professional schools.

### **CONTRACT FOR DENTAL EDUCATION**

The Contract for Dental Education allows a finite number of Wisconsin residents to attend the Marquette University School of Dentistry at a "resident" tuition rate. Currently 160 students are able to participate each academic year. Students who meet the program criteria are awarded \$8,753 in tuition subsidization.

### **MEDICAL COLLEGE OF WISCONSIN CAPITATION PROGRAM**

The Medical College of Wisconsin Capitation Program provides tuition assistance to a finite number of Wisconsin residents enrolled full-time in the Doctor of Medicine (M.D.) program at the Medical College of Wisconsin.

**HIGHER EDUCATIONAL AIDS BOARD PRIORITIZED  
APPROPRIATIONS REQUESTS**

**Request for Tuition Grant:**

If additional funds become available, HEAB requests an increase of 7.32% in FY 07-08 and an increase of 7.32% in FY 08-09 for a total increase of 5,587,100 over the biennium. This biennial request is based on a statutory change mirroring WHEG – UW System language tying Tuition Grant to University of Wisconsin System tuition beginning FY 09-10.

FY 06-07 Current	FY 07-08 Proposed	FY 08-09 Proposed
\$24,835,700	\$26,653,700	\$28,604,800

**Background:** While the budget instructions indicate that agencies must submit level funded budgets, the number of students receiving the Tuition Grant will decrease if there is no additional money. Wisconsin Tuition Grant did receive increases in the last biennial budget, allowing more students to receive grants and this requested increase attempts to help serve at least the same number of students with meaningful grants in the upcoming biennium. Additionally, there is precedent for tying Tuition Grant, (available to students in non-profit independent and/or private colleges and universities, to UW tuition. The formula used to determine individual Tuition Grant awards includes UW tuition as one of its multipliers.

**Corresponding Statutory Language Change:** Please see DIN 7005, proposed statutory language changes, which accomplishes the following: 1) Tie the Tuition Grant appropriation to UW tuition beginning in FY 07-08; 2) continue to allow carry-forward and carry-back of funds mid-biennium if appropriation is tied to tuition; and 3) allow carry-forward of funds from one biennium to the next.

**Request for WHEG–Tribal:**

If additional funds become available, HEAB requests an increase of \$46,000 in FY 07-08 and an additional \$50,000 in FY 08-09.

FY 06-07 Current	FY 07-08 Proposed	FY 08-09 Proposed
\$404,000	\$450,000	\$500,000

**Background:** While the budget instructions indicate that agencies must submit level funded budgets, the gap between student need and available funds continues to widen with the current appropriation. The only increase in funding for this program was in 02-03 when it was raised 1% from \$400,000 to \$404,000. We are asking for modest increases in this appropriation if funds become available.



**Request for WHEG–WTCS:**

If additional funds become available, HEAB requests an increase of 8.1% in FY 07-08 and an additional 8.1% in FY 08-09. This biennial request is based on a statutory change tying WHEG – WTCS to tuition determined by the most recent (FY06-07) percentage increase in WTCS postsecondary/vocational education tuition

FY 06-07 Current	FY 07-08 Proposed	FY 08-09 Proposed
\$16,712,400	\$18,066,100	\$19,529,500

**Background:** While the budget instructions indicate that agencies must submit level funded budgets, the number of students receiving the WHEG-WTCS will decrease if there is no additional money. WHEG-WTCS did receive increases in the last biennial budget, allowing more students to receive grants and this requested increase attempts to help serve at least the same number of students with meaningful grants in the upcoming biennium.

**Corresponding Statutory Language Change:** Please see DIN 7005, proposed statutory language changes, which accomplishes the following: 1) Tie WHEG – WTCS appropriation to WTCS tuition beginning in 90-10; 2) continue to allow carry-forward and carry-back of funds mid-biennium if appropriation is tied to tuition; and 3) allow carry-forward of funds from one biennium to the next.

**Request for WHEG–UW:**

If additional funds become available, HEAB requests an increase of 6.8% in FY 08-09.

FY 06-07 Current	FY 07-08 Statutory Link	FY 08-09 Proposed
\$39,280,600	46,836,700	\$50,021,600

**Background:** While the budget instructions indicate that agencies must submit level funded budgets, it is essential to continue helping needy students by providing a dollar-to-dollar increase between the WHEG and tuition and fees.

WHEG-UW has a statutory link that increases tuition using a prescribed formula, and that figure is indicated in the 07-08 Statutory Link box. Should funds be available, this secondary request for 08-09 which is above the statutory link is intended to provide enough funding to make available a dollar-to-dollar increase of the WHEG for students.

**Request for AES:**

If additional funds become available, HEAB requests that the maximum annual scholarship be increased from \$2,250 to \$3,000. Because the HEAB shares the cost of the scholarship with the college or university attended by the scholar, the state’s portion actually increases from \$1,125 to \$1,500 per student.

**Request for TIP:**

If additional funds become available, HEAB requests an increase of 1% in FY 08-09.

FY 06-07 Current	FY 07-08 Proposed	FY 08-09 Proposed
\$4,503,800	\$4,503,800	\$4,548,800

**Background:** While the budget instructions indicate that agencies must submit level funded budgets, the gap between student need and available funds continues to widen with the current appropriation. Additionally, federal LEAP/SLEAP funds have been decreasing while student need is increasing, making the need for additional state funds even more urgent. The TIP grant is intended to assist the most financially needy students overcome the many obstacles they face in pursuing a post-secondary education. The TIP appropriation has not been increased since 2000-2001.

**Request for Minority Retention Grant (MRG)**

If additional funds become available, HEAB requests annual increases of 14.5% in FY 07-08 and FY 08-09.

FY 06-07 Current	FY 07-08 Proposed	FY 08-09 Proposed
\$756,900	\$866,700	\$992,300

**Background:** While the budget instructions indicate that agencies must submit level funded budgets, reality is that the current funding of the MRG is insufficient to meet the needs of the students. The Minority Undergraduate Retention Grant\* is available to students at the Tech Colleges, the Tribal Colleges, and the Private and Independent Non-Profit Colleges and Universities. The grant is available to minority students enrolled at least halftime, and at least in their second year of school. This grant has not been increased since 2002, however the minority population at the Technical Colleges and Private, Non-Profit Colleges and universities has been steadily increasing.

\*The Lawton Grant is a similar program run by and for the UW System schools.

## **PROPOSED STATUTORY LANGUAGE CHANGES**

### **Budget Narratives**

**Change the WHEG Maximum from a Dollar Amount to a Calculated Amount**

A statutorily determined dollar amount (\$3,000) indicates the maximum WHEG a student can receive in a given school year. Each year the Higher Educational Aids Board determines formulas which calculate the actual awards that the UW System and the Wisconsin Technical College System students will be granted. In developing the formulas the Board takes into account the number of eligible students, the amount of the appropriation, and the statutory maximum. This year, the formula-determined maximum award for UW students is \$2,600, and for WTCS students is \$1,000.

Prior to the 2006-2007 academic year the statutory maximum was \$2,500. During the interim legislative session in 2005, the HEAB requested that this \$2,500 maximum be increased to \$3,000. This request successfully worked its way through the legislature and the final bill was signed by the Governor.

This proposed statutory language change would allow for the WHEG maximum in the statute to increase at a rate indexed to the previous year's fees at UW-Madison. While the statutory maximum would change incrementally each year, the HEAB would still be required to set formulas to determine the individual grants, including the maximum grant, which would allow the most fitting distribution of funds in the available WHEG appropriations.

### **HEAB – RESTORE 0.64 POSITION AND FUNDING ELIMINATED IN 2005-2007 BIENNIAL BUDGET**

#### **REQUEST:**

The Higher Educational Aids Board requests that a 0.64 position and funding, eliminated in the 2005-2007 biennial budget, be restored to our agency.

#### **RATIONALE:**

In the 2005-2007 biennial budget a 0.64 permanent position was eliminated, bringing the number of permanent HEAB staff below 10 (ten). In 2002 there were 13 full-time permanent staff positions. By 2003 that number had been reduced to 11, and then to 10.5 during the 2004 budget reduction.

The work of the agency is suffering because of this loss. Timelines are difficult or impossible to meet. Requests for statistics and/or information must be deferred or denied. The capacity to analyze data, predict trends and review proposals for new programs has been diminished.

While the 0.64 position has been eliminated, the HEAB has used temporary employees to assist with the workload because the responsibilities of the position still exist. Additionally, funds from other budget lines are being used to fund the temporary position. However this is only a temporary fix.

We operate under a very small budget and the staff is working at full capacity. The lack of funding for our .64 position has resulted in loss of training opportunities, lack of resources to work on-site with school financial aid directors, and the inability to provide the most up-to-date information on individual student grants and scholarships. This position, while a small request, is critical to our agency if we are to provide the most current, accurate and timely information necessary for students who are planning the financing of their college education.

### **NEW PROGRAM: AFFORDABLE COLLEGE EDUCATION GRANTS**

The creation of this program for the most financially needy students is intended to cover tuition and fees not covered by other grant aid. The goal is to keep post-secondary education affordable for all students, including those with the lowest incomes. If this new program is approved, the Higher Educational Aids Board would need an additional staff person to develop and administer this grant.

### **NEW PROGRAM: VETERANS TUITION REMISSION REIMBURESMENT**

In the spring of 2006, the Governor signed the Wisconsin GI Bill, which expanded the tuition remission for veterans to a 100% remission beginning in the 2007-08 academic year. As a result, the annual cost of the veterans' tuition remission programs will increase significantly. In addition, the cost of the remission programs is expected to increase as ever-increasing numbers of eligible veterans and their dependents become aware of and start taking advantage of this well-deserved program.

Central administration of these funds through the HEAB would provide a single point of contact for information about the program, facilitate data collection and monitoring of program participation and costs, facilitate periodic program evaluation, and clearly restrict the use of funds to remission reimbursement. Moreover, the HEAB has experience collecting similar data with the MN-WI Tuition Reciprocity program, and experience administering a similar type of reimbursement program with the Academic Excellence Scholarship.

In addition, since the level of participation is difficult to estimate, funding for tuition remissions for veterans and their dependents should be established in a sum sufficient appropriation. HEAB is also experienced in administering this type of appropriation, also under the Minnesota-Wisconsin student reciprocity agreement and the Academic Excellence Scholarship program.

No additional staff is being requested for this program.

**Budget Analysis**

DOA-2056 (R06/90)

CHANGE  
AUTHOR

1	B
---	---

DEPARTMENT PROGRAM SUBPROGRAM	CODES	TITLES	PROGRAM ELEMENT DECISION ITEM NUMERIC APPROPRIAT.	CODES	TITLES	BUDGET ANALYSIS FORM <b>B-2</b> PAGE _____
	235	Higher Educational Aids Board				
	01	Student Support Activities		4514		
				14	Talent Incentive Program	
	<b>Expenditure Items</b>		<b>1st Year Cost</b>	<b>2nd Year Cost</b>		
01	Permanent Position Salaries					
02	Turnover					
03	Project Position Salaries					
04	LTE/Misc. Salaries					
05	Fringe Benefits					
06	Supplies and Services					
07	Permanent Property					
08	Unallotted Reserve					
09	Aids to Individuals & Organizations		0	0		
10	Local Assistance					
11	One-time Financing					
12						
13						
14						
15						
16						
17	<b>TOTAL COSTS</b>		0	0		
18	Project Positions Authorized					
19	Classified Positions Authorized					
20	Unclassified Positions Authorized					

**Request for TIP:**

If additional funds become available, HEAB requests an increase of 1% in FY 08-09.

FY 06-07 Current	FY 07-08 Proposed	FY 08-09 Proposed
\$4,503,800	\$4,503,800	\$4,548,800

**Background:** While the budget instructions indicate that agencies must submit level funded budgets, the gap between student need and available funds continues to widen with the current appropriation. Additionally, federal LEAP/SLEAP funds have been decreasing while student need is increasing, making the need for additional state funds even more urgent. The TIP grant is intended to assist the most financially needy students overcome the many obstacles they face in pursuing a post-secondary education. The TIP appropriation has not been increased since 2000-2001.