



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: OBSERVATIONS ON THE MISSION OF THE 2012 COMMISSION

DATE: May 18, 2012

In a memo dated May 11, 2012 I outlined to you the background of the 2012 Commission on Financial Aid Consolidation and Modernization, and sketched a process by which the Commission could, if it chooses, define its mission and agree on a plan to proceed with that mission. In that memo I asked that Commission members begin to collect their thoughts on what specific topics the Commission should discuss. This memo is my list, which I am sharing with the Commission for discussion's sake.

It is my plan and my expectation that the decisions on the scope of the Commission's discussions and recommendations will be group decisions. This memo is not an attempt to prescribe or proscribe any topics that the group wishes to address; it is an attempt to help the group consider possible topics for its work this summer.

I'd like to propose that the Commission plan to assemble a list like this one at its next meeting (its second meeting). Topics would simply be listed for further discussion, or would be earmarked as outside the purview of the Commission. It is my belief and hope that, the Commission can develop this list through consensus.

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

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

Issues that the 2012 Commission may, it seems to me, wish to consider and possibly to make recommendations on, might include:

- 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.

- 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.

I also think it's reasonable to conclude that a need or desire for consolidation of the above grants might be reduced or eliminated if the existing programs could be changed in ways that improve the programs' effectiveness. Further, it seems a possible outcome that the work of the 2012 Commission will fail to result in a consensus recommendation for consolidation, but that the Commission may nonetheless identify changes to these programs that can be agreed to on a consensus basis. For these reasons, I think that the Commission could also look at

- Improvements to the existing grant programs that would improve the effectiveness of the programs.

I see one area on which I would like the Commission to have discussion about whether it feels that these areas are (or are not) properly before us as we fulfill our charge from Act 176.

- While the Wisconsin Covenant grant has been "sunsetting" and there would seem to be challenges inherent in combining the Covenant grant with WTG and / or with WHEG, the Covenant program is a grant program administered by HEAB and the Commission may decide to review potential recommendations meant to improve the Covenant program for the remainder of its existence.

Finally, in an effort to maximize our efforts where they are called for, I'd like to note some topics that I feel are clearly beyond the scope of what this Commission has been asked to consider.

As you know, the Commission has been created shortly after the completion of a 2010 Legislative Council study committee which addressed wider issues of financial aid.

- The 2011-2012 legislative session saw change on some issues affecting financial aid that had been of interest to the 2010 study committee, including tuition reciprocity with Minnesota (the topic of 1011 AB 141) and the Talent Incentive Program under HEAB (AB 142). Although the bills introduced at the request of the 2010 study committee did not become law, there was some action (or at least some resolution) in these areas.
- A third area of recommendation by the 2010 study committee, creation of a new baseline for the sum-sufficient appropriations that support various HEAB programs, was considered by the 2011 Legislature (AB 143) but was not approved by it, and no other change to law or policy was made in this area.

The proposals forwarded by the 2010 study committee may or may not be considered by a future legislature, but my feeling is that they are outside the immediate scope of the 2012 Commission's mission as defined in Act 176, which is consolidation of HEAB's grant programs, and options for grant aid to part-time students.

Using Act 176 as a yardstick has brought me to conclude that there are other issues beyond our purview, which I share with the Commission here.

- I feel that the 2012 Commission need not examine the aid programs administered by HEAB that result in payments to institutions: the Contract for Dental Education with the Marquette University School of Dentistry (which allows a finite number of Wisconsin residents to attend the Marquette University School of Dentistry at a "resident" tuition rate) and the Medical College of Wisconsin Capitation Program (which provides tuition assistance to a finite number of Wisconsin residents enrolled full-time in the Doctor of Medicine program at the Medical College of Wisconsin).
- By the same token, I feel that the Commission need not examine tuition reciprocity.
- Also, I feel that the various loan programs administered by HEAB are beyond the scope of the Commission, as is the Academic Excellence Scholarship program.

Moving beyond the programs administered by HEAB, there are topics in higher education aid that I feel need more attention and action from policymakers, but on which the 2012 Commission has not been asked to make recommendations, and I feel that on these issues our time constraints probably preclude our doing substantive work. I wish to state these in order to help the Commission focus its future meetings, if it chooses to do so.

- Issues of education affordability generally.
- 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.
- Issues of access to higher education not tied directly to financial concerns.
- The need to encourage planning, saving, and other measures that students and families can take to become better prepared to meet education costs.
- Issues of dealing with high student debt, including increased options for debt consolidation and refinancing.
- Student debt discharge, including debt forgiveness and the treatment of student debt in bankruptcies.
- The need for higher education and for credentialed graduates in Wisconsin.

END