

State of Wisconsin
Higher Educational Aids Board

Meeting Minutes
February 18, 2005

Board Members Present: Steve Van Ess, Mary Jo Green, Debra McKinney, Kevin Ingram, and Dr. Betty Womack. Ann Neviaser, Khalaf Khalaf, and Mary Cuene attended via phone

HEAB Staff Present: Connie Hutchison, John Whitt, Mary Lou Kuzdas, Sandy Thomas, Alice Winters and Nancy Wilkison.

Others Present: Rolf Wegenke, WAICU; Sandra Dercole; DPI-WEOP; Kristen Hendrickson and Sharon Wilhelm, UW System Administration; Dan Goyette and Margaret Zitzer, Marquette University; David Glisch-Sanchez, United Council, Danielle Kupkovits and Benjamin Dobner, MSOE; Tom Heffron and Jayson Chung, WTCS; and Angela Russell, Office of the Governor.

Chairman Steve Van Ess called the meeting to order at 9 a.m.
Ann Neviaser, Khalaf Khalaf, and Mary Cuene joined via phone at 9:05

APPROVAL OF MINUTES:

The motion was made by Dr. Betty Womack to approve the minutes of the October 15, 2004 Board Meeting and was seconded by Debra McKinney. The minutes were approved.

REPORT OF THE EXECUTIVE SECRETARY:

Update on Governor Doyle's Budget Address: Governor Doyle recommended the following: TG and WHEG-WTCS to be increased slightly. There were no language changes proposed for WTCS or TG. WHEG-UW to be increased significantly in both years; Funds to replace all dollars currently being funded from GPR for WHEG and a statutory increase, no auxiliary funds proposed. WHEG-Tribal: No increase in funding. HEAB: One half of a position was eliminated; supported funding over biennium for upgrading administrative mainframe system. Tribal Colleges: Connie requested that the Board consider adding an ex-officio Board member to represent the tribal colleges. This was a concern expressed by Tribal College Representatives when Connie met with them recently. The Board asked that this be placed on the next agenda for discussion and possible action. There were questions as to legality and perception of the Governor's Office and the process of an ex-officio membership. Connie will pursue options and desires of the Governor.

Update on the Federal Government Accounting Office: New Tax Tables: Connie and Board Member discussed the impact of the change in Tax Tables on student eligibility. HEAB staff will monitor 2005-06 commitment numbers for WHEG and TG and recommend changes to the formulas if necessary. Steve said that the latest information showed that EFCs in Wisconsin could rise an average of \$440, and this could have a big impact on PELL monies available to students.

Other: Connie thanked the HEAB staff for their continued dedication.

BOARD REPORT #05-12 2005-06 WHEG AND WTG PROGRAM FORMULAS

The WHEG and WTG program formulas were presented for Board consideration. The general structure of the WHEG formula is outlined in the State statutes. However, the components may be adjusted to incorporate changes in the cost of education, the Federal Methodology (which

determines the Expected Family Contribution) and the number of applicants (which relates to the number of students who enroll and the available funding).

WTG

WI Association of Independent Colleges and University's president, Rolf Wegenke, recommended that HEAB increase the maximum award from \$2500 to \$2700 and increase the minimum award from \$250-\$500. Connie Hutchison agreed with the recommendation. A motion was made by Ann Neviasher to accept WAICU and HEAB's recommendation. Khalaf Khalaf seconded the motion. The formula outlined in Table 2 of Board Report #05-12 was unanimously approved.

WHEG-WTC

Wisconsin Technical College System president, Daniel Clancy, recommended that HEAB increase the student budget used for the WHEG formula from \$7,500 to \$8,000 to more accurately reflect real student costs. He recommended that increases in the award level for the neediest student go from \$900 to \$960. Connie Hutchison, HEAB Executive Secretary concurred. It is hoped that students will receive some adequate level of WHEG aid, and a limited amount of funds will be available for students starting second semester. In the current academic year WHEG funds were depleted in early November 2004, and many eligible students had no chance to receive WHEG assistance. The formula would read: $(\$8,000 - EFC) \times 12\% = \text{Award}$. Mary Cuene moved to accept this recommendation; it was seconded by Kevin Ingram and passed unanimously.

WHEG-TRIBAL

College of Menominee Nation President, Verna Fowler, and Lac Courte Oreilles Ojibwa Community College President, Elizabeth McDougall both recommend that they remain with their current formula. The maximum award would continue to be \$1,800. Connie Hutchison concurred with the recommendation. The formula would read: $(\$6,650 - EFC) \times 27.44\% = \text{Award}$. Deb McKinney moved to accept the recommendation; it was seconded by Dr. Womack and passed unanimously.

WHEG-UW

University of Wisconsin-Madison president, Kevin Reilly, made the recommendation that the formula for 2005-06 academic year continue to tie the equity level to UW-Madison's tuition for the previous year of \$5,252, and a rationing factor of 50%. The maximum award would remain at \$2,627. Connie Hutchison concurred. The formula would read: $(\$5,254 - EFC) \times 50\% = \text{Award}$. Deb McKinney moved to accept the recommendation with the addition of a raise in the minimum grant amount to \$500 as suggested by the advisory work group, it was seconded by Ann Neviasher. David-Glisch-Sanchez, United Council expressed concern for those students who may not receive the \$250 awards as a result. The motion passed unanimously.

10 Minute break. Khalaf Khalaf signed off the phone conference at 10:16 a.m.

BOARD REPORT #05-13 ACADEMIC EXCELLENCE SCHOLARSHIP-ALTERNATE SELECTION

Currently statutes require that if a designated Academic Excellence scholar does not accept the scholarship, an alternate is selected only if the grade point is exactly the same as the designated scholar. This means that if a student with a GPA of 4.0 does not accept the scholarship, the student with the next highest GPA, even if it is 3.99, cannot be named an alternate. This rule only applies to those schools that use a traditional grading scale. The question for the Board to consider: Should HEAB recommend changes to the statutes that would allow alternates for scholarships who do not have the same grade point average as the designated scholar to receive the scholarship? Connie suggested that the Board table action on this matter pending movement on a bill put forth in the Legislature by Senator Fred Risser which addresses this very subject. Dr. Womack moved to accept that recommendation and it was seconded by Ann Neviasher. It passed unanimously.

BOARD REPORT #05-14 ACADEMIC EXCELLENCE SCHOLARSHIP-SMALL SCHOOLS

Ten Students are selected, from all public and private schools in the state with enrollment under 80, to receive the Academic Excellence Scholarship. Grade requirements and course requirements may differ from school to school. Using the ACT score may even the criteria for comparing students from one school to the next. ACT scores are currently used as tie-breaking criteria. The question before the Board for consideration: Should ACT scores, rather than GPAs, be used to determine the AES recipients for schools with enrollment under 80 students. Connie suggested that the Board table action on this matter pending movement on a bill put forth in the Legislature by Senator Fred Risser which addresses this very subject. Ann Neviasher moved to accept that recommendation and it was seconded by Kevin Ingram. It passed unanimously.

BOARD REPORT #05-15 FINANCIAL AID FOR PROPRIETARY SCHOOLS

Proprietary school students do not currently receive state financial aid. It has been noted that Legislators and state agencies have been lobbied by proprietary (for-profit) schools to qualify for state-funded aid. The Department of Administration has been asked to include an initiative granting funds in Governor Doyle's budget request. The Educational Approval Board states that one of its objectives is to secure funding through HEAB for the schools it regulates. Given the state's financial situation and the resulting inability to meet the needs of students currently enrolled in the three sectors it has been recommended that this is not the time to consider creating and funding an entirely new program. HEAB would like to see the board take the position opposing the expansion of state financial aids to students in proprietary schools at this time. The motion was made to accept this recommendation by Mary Cuene, seconded by Ann Neviasher, and was passed unanimously.

BOARD REPORT #05-16 RETURN OF FUNDS POLICY AND PROCEDURES

HEAB has been notified by the Legislative Audit Bureau that the current return of funds policy is somewhat vague, and it is causing some confusion, particularly among some of the UW-System schools. It is their recommendation that we revisit the policy for clarification. This information report has been included to make the Board aware that HEAB will be working with the financial aid offices and the system offices from WAICU, WTCS and the UW System to find solutions that everyone will be comfortable with. The Board will be advised on the progress.

BOARD REPORT #05-17 2003-2004 MINNESOTA-WISCONSIN RECIPROcity PROGRAM DATA

The tuition reciprocity program is not a revenue generating program for either state but provides an opportunity for residents on both sides of the border to attend institutions on the opposite side. In 2003-04 there was a slight decrease in the number of students studying in Wisconsin and an increase of over 600 students studying in Minnesota. The amount paid to the state of Minnesota was \$6,163,196. Additional tuition paid by Minnesota students and remitted to the General Fund was \$7,683,385.

BOARD REPORT #05-18 WHEAL PROGRAM STATUS REPORT FOR FISCAL YEAR 2003

During the fiscal year 2004, WHEAL borrowers paid HEAB a total of \$445,659.55. Of this amount \$397,127.11. was for principal and \$48,532.44 was for interest. As of December 31, 2004, there were 26 people currently still in repayment.

BOARD REPORT #05-19 WISCONSIN STATE STUDENT FINANCIAL AID DATA FOR 2003-04

Each year HEAB goes out to the aid community with a survey to collect information about need based and non-need-based student financial aid for Wisconsin resident undergraduates. The colleges and universities within the four different Wisconsin Higher Education Sectors provided the majority of the information reflected in this report. The four sectors of colleges and universities include the Independent Colleges and Universities, the Tribal Colleges, the University of Wisconsin System, and the Wisconsin Technical College System. The majority of the cost of education is met by assistance that is based on financial need. The majority of need based and non-need-based assistance combined is funded by federal loan assistance.

BOARD REPORT #05-20 STATUS OF 2004-05 APPLICANTS AND PROGRAMS

In 2004-05, WHEG-UW has committed 128.88% (\$43,545,893) of its appropriation with 30,830 awards. This is 3,489 more awards and 6.34% less committed than at this time last year. The final commitment for 2003-04 was 135.32%. WHEG-WTC has committed 167.06% (\$24,977,099) of its appropriation with 33,281 awards. This is 4,376 more awards and .61% less committed than at this time last year. The final commitment for 2003-04 was 167.69%. WTG has committed 102.42% (\$23,011,154) of its appropriation with 10,448 awards. This is 478 more awards and 3.61% more committed than at this time last year. The final commitment for 2003-04 was 95.16%. The number of applicants through February 8, 2005, for the 2004-05 academic year was 229,475. That number last year at this time was 218,800. Applicants in 2003-04 totaled 225,513.

OTHER ISSUES:

The HEAB website continues to have increased hits during the month. WebTrends shows that in 2004 there were 106,143 visits to the site, an average of 8,845 per month. It's used primarily by Financial Aid Directors and students attending Minnesota schools. Connie thanked John Whitt for his continued work on keeping the site up to date. It is now easier to search the site as only heab.wi.gov needs to be entered.

OLD BUSINESS: none

NEW BUSINESS:

Future meeting dates: April 22, 2005 and July 29, 2005

Kevin Ingram moved that the meeting be adjourned, second by Debra McKinney, and Chairman Steve Van Ess adjourned the meeting at 11:10.