

State of Wisconsin
Higher Educational Aids Board

Meeting Minutes
August 27, 2004

Board Members Present: Steve Van Ess, Mary Jo Green in house, Colleen Bunner, Mary Cuene, Sandra Dercole, Khalaf Khalaf and Dr. Betty Womack via phone.

HEAB Staff Present: Connie Hutchison, Sherrie Nelson, Nancy Wilkison.

Others Present: Rolf Wegenke, WAICU; Paul Nelson, WAICU Tom Heffron, WTCSB; Kristen Hendrickson, UW System Administration; Sharon Wilhelm, UW System Administration; Leticia Smith-Evans, Office of the Governor; David Glisch-Sanchez, United Council and Kevin Ingram, DPI-WEOP via phone.

Chairman Steve Van Ess called the meeting to order at 9:05 a.m.

APPROVAL OF MINUTES:

Mary Cuene moved to approve the minutes of the July 30, 2004 Board meeting and it was seconded by Dr. Betty Womack. The minutes were approved.

Chairman Steve Van Ess took a moment to thank those who participated in the financial aid workshop presented following the July 30th Board meeting, particularly Debra McKinney and Mary Jo Green as co-presenters.

BOARD REPORT #05-04 2005-07 BIENNIAL BUDGET ISSUES

The biennial budget instructions indicate that opportunities for additional program funds are limited. Governor Doyle has indicated that education is a top priority. Keeping in mind HEAB's mission statement and goals, and given the importance of the HEAB programs and the current state budget situation, it is important that the Higher Educational Aids Board establish clear priorities about where additional funds would be most effective.

In preparation for the Board's discussion of the biennial budget request, HEAB staff has met with representatives of WTCS, the Independent Colleges and Universities, the Tribal Colleges, UW System, Marquette University School of Dentistry, staff from United Council of UW Students, and individuals interested in the Academic Excellence Scholarship. Specific recommendations made by these groups or individuals were noted in the narrative given to Board members. HEAB recommendations were based on these discussions and data collected by staff.

I. How should funding requests for HEAB's most comprehensive Grant programs: WHEG-UW, WHEG-WTCS, WHEG-Tribal, and TG be structured and funded?

The only requirement for eligibility is need, determined by information provided on the FAFSA.

WHEG-UW

The following three issues were up for discussion and action regarding WHEG-UW.

1. In 2003, State statutes were changed tying WHEG-UW increases to tuition increases. Sandra Dercole moved that HEAB again tie WHEG-UW increases to tuition increases. The motion was seconded by Mary Cuene and passed unanimously by roll call vote.

2. When WHEG-UW appropriation was tied to tuition increases, the appropriation type changed from a biennial to an annual appropriation. Funds cannot be carried forward at the end of the biennium. Sandra Dercole moved that statutory changes that would allow carry-back and carry-forward of funds within the biennium, and carry forward of unexpended funds from one biennium to the next be sought for the following programs: WHEG-UW, WHEG-WTCS, WHEG-Tribal, TG, TIP, and the Minority Retention Grant. The motion was seconded by Dr. Betty Womack and was passed unanimously by roll call vote.
3. In the 03-04 Biennial Budget, UW Systems lost \$250 million in GPR funding causing the Regents to authorize record high tuition increases. To help offset this increase in tuition WHEG-UW funding was increased, however, \$6,453,700 of the 03-04 appropriation and \$15,032,800 of the 04-05 appropriation were Program Revenue funds that actually came from UW auxiliary enterprises funds. Dr. Betty Womack moved the HEAB pursue the replacement of Program Revenue funds with GPR funds for the UW System. Khalaf Khalaf seconded the motion and it was passed unanimously by roll call vote.

WHEG-WTCS

There has been no increase in the WHEG-WTCS appropriation since 2002-03. In the past two years, new awards have been suspended and existing awards have been frozen very early, October 18, 2002 in 2002-03, and September 4, 2003 in 03-04. While the number of students who qualify for aid has increased each year, financial aid funding has not kept pace with that need. WTCS asks that statutory language be changed to mirror UW language, tying the appropriation to WTCS's tuition. Mary Cuene moved that the WHEG-WTCS appropriation would increase 8.6% in FY 2005-06 and 17.9% in FY 2006-07, or \$3,947,600 over the biennium. Dr. Betty Womack seconded the motion. Mary Jo Green offered a friendly amendment to the motion that in addition, statutory language changes be made that would tie WHEG-WTCS appropriations to tuition increases. Both Mary Cuene and Dr. Betty Womack accepted the change in the motion. The vote was taken and the motion was unanimously approved by roll call vote.

WHEG-TRIBAL

WHEG Tribal was last increased in 2002-03, and then by only 1%: from \$400,000 to \$404,000. In the past two years, new awards have been suspended and existing awards have been frozen very early, August 7, 2002 for 02-03, and September 9, 2004 for 03-04. While the number of students who qualify for aid has increased each year, financial aid funding has not kept pace with that need. Administrators of both Tribal Colleges indicated that WHEG assists only about 50% of eligible students. Funds for the appropriation are not GPR funds, but rather from Gaming Revenues remitted to the state. Dr. Betty Womack moved that HEAB pursue an increased appropriation from \$404,000 to \$808,000 for WHEG-Tribal. Sandra Dercole seconded the motion which was carried unanimously by roll call vote.

10 Minute Break

TUITION GRANT

There has been no increase in the appropriation since the budget repair bill of July 2002. Last year, new awards were suspended and existing awards frozen very early on August 27, 2003 for 03-04. While the number of students who qualify for aid has increased each year, financial aid funding has not kept pace with that need. WAICU asked that we consider seeking a percentage increase equal to that of UW's or WTCS's WHEG funding. WAICU also asks that statutory language be changed to mirror UW language, tying the TG appropriation to UW's tuition. Currently the TG formula uses UW tuition as one of the factors in determining award amounts, so a link between TG and UW tuition already exists. Sandra Dercole moved HEAB seek to tie appropriations for the TG Program to any UW tuition increase percentage. It was seconded by Colleen Bunner and passed unanimously by the Board.

Khalaf Khalaf voiced an interest in suggesting to the legislature that TG and WHEG-UW be equally funded. His suggestion was noted by the Board and it was acknowledged that it might be included on a Board meeting agenda as a Discussion/Action point at a future date.

II. Minority Retention Grant

The Minority Undergraduate Retention Grant is available to the Tech Colleges, the Tribal Colleges, and the Private and Independent Non-Profit Colleges and Universities. A similar program, the Lawton Grant, is run by and for the UW System schools. 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. Representatives of WTCS asked that HEAB pursue an increase of 14.5% for 05-06 and 30% for 06-07. Mary Cuene moved that HEAB pursue an increase of 14.5% for 2005-06 and 30% for 2006-07. Khalaf Khalaf seconded the motion and it was passed unanimously by roll call vote.

III. Academic Excellence Scholarship

One issue concerning the AES has surfaced several times this year. For schools with enrollments over 80, alternate selection is inconsistent between schools with weighted grading systems and those with non-weighted grading systems. In order to be an alternate for the AES in a non-weighted grade school, the student must have exactly the same grade point as the recipient who refused the award. A student with a 3.987 grade point cannot receive the scholarship as an alternate for the student who had a 3.988 grade point but was unable to use the scholarship. In a school with a weighted grading system, the alternate is the one with the same, or next highest grade point. Dr. Betty Womack asked that action be set aside until more information can be gathered. Sandra Dercole was in agreement that more information is needed regarding the kinds of changes that would need to take place. Connie Hutchison said a working group would be brought together which would include HEAB staff, high school counselors, financial aid directors and perhaps parents who have dealt with the problems associated with this program.

Dr. Betty Womack had to leave the meeting at 10:35.

IV. Marquette University School of Dentistry: Dental Capitation Program

Wisconsin's only School of Dentistry is at Marquette University and 77% of all Wisconsin dentists were trained here. Realizing that Wisconsin residents who train at our state's School of Dentistry are most likely to remain and practice in Wisconsin, the state has provided tuition incentives for this program. However, this is a limited partnership. There are two limitations in state statutes regarding dentistry students who are Wisconsin residents: 1) There are 80 spots available for each new class. Wisconsin residents can fill only 40 of those. 2) Students from Wisconsin cannot be charged an out-of-state tuition (the difference between the tuition subsidy and the actual cost to train students).

In summary, 40 Wisconsin residents may enter each new class but only if there are enough subsidies provided in the appropriation for Dental Capitation. The appropriation provides subsidies for only 25 students to enter in fall, 2005. There are about 170 Wisconsin applicants, and while less than 100 of those will qualify under the rigorous admission standards, the admissions staff is confident that more than 40 will be qualified. Under current statutes and appropriations, only 25 will be admitted. Given the current state budget situation, administrators from the Marquette School of Dentistry are asking only to be made whole: that the appropriation covers subsidies for 40 rather than 25 Wisconsin students per class. Colleen Bunner moved that the appropriation cover subsidies for 40 rather than 25 Wisconsin students per class. Khalaf Khalaf seconded the motion and it was unanimously passed by roll call vote.

V. Other HEAB Administered Programs

In addition to the grant and scholarship programs listed above, HEAB currently administers the following grants and loans: Handicapped Grant; Indian Grant; Minority Teacher Loan; Nursing

Student Loan; and the Teachers of the Visually Impaired Loan, Talent Incentive Program. Sandra Dercole moved that HEAB request an increase in the Talent Incentive Program for the 2005-07 biennial budget. Khalaf Khalaf seconded the motion. Mary Jo Green offered a friendly amendment to add an 8% to the increase in each of the two years. The friendly amendment was accepted by both Sandra Dercole and Khalaf Khalaf. The vote was unanimous to accept the motion by roll call vote.

Colleen Bunner left the meeting at 10:45 leaving the Board without a quorum.

BOARD REPORT #05-05 REVISING HIGHER EDUCATIONAL AIDS BOARD MISSION STATEMENT

This Discussion/Action report was tabled as two Board members had to leave the proceedings and a quorum no longer existed. It will be included in the October 15, 2004 meeting.

OTHER ISSUES/NEW BUSINESS

There were no other issues or new business for discussion. Khalaf Khalaf voiced his appreciation for the convenience of the availability of conference calling. Mary Cuene thanked Connie and the staff for the Budget Issues paper which was available prior to the meeting. It not only gave her a chance to prepare for the discussion, but helped the meeting go smoothly.

Mary Cuene moved that the meeting be adjourned and it was seconded by Sandra Dercole. Chair Steve Van Ess adjourned at 10:50.

Respectfully submitted by Mary Jo Green, Secretary