

Fiscal Estimate - 2023 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 23-3871/1	Introduction Number AB-0381
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Description
 Wisconsin grants and other financial aid for higher education

Fiscal Effect

State:

No State Fiscal Effect
 Indeterminate

<input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Create New Appropriations	<input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Revenues	<input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Decrease Costs
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Local:

No Local Government Costs
 Indeterminate

1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts
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Fund Sources Affected	Affected Ch. 20 Appropriations
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	

Agency/Prepared By	Authorized Signature	Date
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Fiscal Estimate Narratives

UWS 8/21/2023

LRB Number	23-3871/1	Introduction Number	AB-0381	Estimate Type	Original
Description Wisconsin grants and other financial aid for higher education					

Assumptions Used in Arriving at Fiscal Estimate

This bill makes changes to the Wisconsin grant program administered by the Higher Educational Aids Board and other changes related to financial aid for higher education.

Wisconsin grants

Under current law, HEAB administers the WI grant program, which provides grants to resident undergraduate students enrolled at least half-time in UW System schools, technical colleges, private nonprofit colleges, and tribal colleges in this state. HEAB limits its award of these grants to 10 semesters or the equivalent. For students enrolled in UW System schools, technical colleges, and tribal colleges, HEAB must award WI grants based on a formula that accounts for expected parental and student contributions and is consistent with generally accepted definitions and nationally approved needs analysis methodology. For students enrolled in private nonprofit colleges, the amount of the grant that HEAB awards is based on a mathematical calculation specified by statute. All WI grants are subject to a minimum and maximum grant amount.

This bill makes the following changes to the WI grant program:

1. The bill removes the requirement that a student must be enrolled at least half-time to be eligible for a WI grant. The bill also specifies that, to be eligible for a WI grant, a student must be enrolled in a degree, certificate, or other program leading to a recognized educational credential and be maintaining satisfactory academic progress.
2. The bill extends, from 10 semesters to 12 semesters or the equivalent, the limit on the total number of semesters a student may receive a WI grant. The bill also specifies that, if a student receiving a grant is enrolled less than full time in a semester or session, only the fraction of the student's enrollment, in proportion to full-time enrollment, is applied toward this 12-semester limit.
3. The bill eliminates the statutory mathematical calculation used to determine the amount of a WI grant awarded to a student enrolled in a private nonprofit college. Instead, the bill aligns the statutory language for HEAB to determine the amount of a WI grant for each of the four types of higher education institution. Under the bill, HEAB must award WI grants based on the current federal need analysis formula. This standard accommodates changes to the federal need analysis methodology included in the federal FAFSA Simplification Act of 2019 that are scheduled to take effect in the 2024-25 academic year.
4. The bill modifies provisions related to minimum and maximum grant amounts, which are currently established by statute. Under current law, the minimum annual grant amount is \$250. For students enrolled in UW System schools, technical colleges, and tribal colleges, the maximum annual grant amount is \$3,150. For students enrolled in private nonprofit colleges, HEAB establishes the maximum annual grant amount, subject to the limitation that HEAB may not make initial grant awards exceeding 122 percent of the amount appropriated for this purpose. This bill repeals all of these provisions. Instead, HEAB must annually establish a minimum and maximum amount for grants and must integrate the minimum and maximum grant amounts into its formula for awarding grants.
5. The bill specifies that a WI grant is available to a student enrolled in a private nonprofit college only if the private nonprofit college is headquartered in WI.
6. The bill repeals a provision related to private nonprofit colleges that requires HEAB to prescribe and make available at locations in the state convenient to the public WI grant application forms and, upon request, to advise and assist applicants in making out these forms.
7. The bill also requires HEAB to ensure that eligible UW System students enrolled in a certificate program currently known as the farm-and-industry short course are included in the award of WI grants.

Talent incentive grants

Under current law, HEAB awards talent incentive grants to uniquely needy students enrolled at least half-time in the UW System, a technical college, a private nonprofit college, or a tribal college. Awarded to first-year students with the greatest financial need, the grant may be continued in the students' sophomore, junior, and senior years. However, HEAB may not award a grant to a student for more than 10 semesters or their equivalent, and HEAB may not award a grant to a student more than six years after its initial grant award to the student. The bill allows HEAB to award a talent incentive grant to a student for up to 12 semesters or their

equivalent.

Grants to meet emergency financial need

Under current law, the UW System and technical colleges may award a grant to an eligible student at a two-year UW System campus or a technical college to pay the student's expense resulting from a financial emergency. An "eligible student" is defined as a student whose "expected family contribution" is less than \$5,000. An eligible student may receive up to two grants in a total amount of not more than \$500 per academic year. Each two-year UW System campus and technical college must collect certain information related to the grant program and submit a report by June 30 to, respectively, the Board of Regents of the UW System or the Technical College System Board.

The bill modifies the definition of "eligible student" for the purpose of these grants. The bill eliminates the term "expected family contribution," which is a need-based methodology derived from federal standards that were changed in the federal FAFSA Simplification Act of 2019. Under the bill, an eligible student is defined as a student whose financial need meets the eligibility criteria for a federal Pell grant. The bill also allows these grants to be awarded to any UW System student, not just to students at two-year UW System campuses. The bill increases the maximum amount of the grants awarded to a UW System or technical college student in an academic year from \$500 to \$1,000. The bill also changes the reporting deadline for the program from June 30 to September 1.

Selective Service registration as a condition for financial aid

The bill repeals provisions that prohibit HEAB and the UW System from providing state financial assistance to a person required to register with the federal Selective Service system who is not so registered.

The bill would first apply to grants and other financial assistance awarded for the 2024-25 academic year. Changes in reporting would apply to reports submitted after 2023.

Long-Range Fiscal Implications

This bill would allow UW System to spend up to its entire allocation for the WI grant, the Talent Incentive Grant, and emergency grants. There are no costs associated with any of the provisions of the bill and in fact, some efficiencies would be created in financial aid offices with the removal of the requirement to verify selective service registration for eligibility for state aid.