



Assembly Bill 381: Financial Aid Modernization for Higher Education
Assembly Committee on State Affairs
Testimony of Senator Joan Ballweg
September 20, 2023

Good afternoon, members of the committee. Thank you for hearing this important legislation to modernize and streamline Wisconsin's financial aid process to benefit all students pursuing a postsecondary credential in the state.

The federal government passed the FAFSA Simplification Act to make significant changes to the federal financial aid process for college students that generally take effect on July 1, 2024. This new law necessitates changes to state statute, and it also provides an opportunity to modernize Wisconsin's financial aid process. It is important to pass this legislation now to give the Higher Educational Aids Board (HEAB) and all the state's higher education sectors time to implement the changes to not disrupt students' financial aid for the 2024-2025 academic year.

The major changes made by AB 381 include:

- Changing the formula for determining eligibility for financial aid from the Expected Family Contribution (EFC) formula to the new federal Student Aid Index (SAI). According to the Congressional Research Service, the SAI has fewer formula factors than the EFC, the number of questions are reduced on the FAFSA, and it permits a higher share of FAFSA responses to be imported from a federal income tax return.
- Increasing the 10 semester limit for Wisconsin Grants to 12 semesters, and allowing reductions in eligibility in proportion to the student's actual enrollment rate to align it with federal Pell Grant standards.
- Removing the half-time enrollment requirement for Wisconsin Grants to ensure any student that meets the need analysis and is making satisfactory academic progress toward a credential can receive a Wisconsin Grant. This opens up eligibility for nontraditional students who have other responsibilities while earning their credential.
- Ensuring all sectors follow the same approval process through HEAB for their financial aid formula, but that each sector retains the flexibility to establish a formula that most efficiently utilizes their appropriation to benefit students.
- Updating the emergency grant program for the Wisconsin Technical College System (WTCS) and UW System, including expanding it to all UW System students to reflect the 2018 restructuring of the UW System two-year campuses into branch campuses.

The bill also makes several other changes such as: specifying that a private nonprofit college must be headquartered in Wisconsin for a student to be eligible for a Wisconsin grant; repealing an outdated requirement that HEAB make available



JOAN BALLWEG

STATE SENATOR · 14TH SENATE DISTRICT

application forms for Wisconsin Grants at locations around the state; specifying that eligible students in the farm and industry short course program will receive a Wisconsin Grant; increasing the limit on how long a student can receive a Talent Incentive Grant from 10 semesters to 12 semesters; and, repealing a provision requiring a student to prove they registered for Selective Service now that the federal Department of Education no longer requires confirmation for federal financial aid.

Not all students seeking a postsecondary credential are the traditional student coming out of high school. These changes will better align state and federal financial aid programs, and it will make Wisconsin's financial aid programs more accessible to students who are not currently eligible. It will also make it easier for students to transfer within a system and between the different sectors. Overall, Wisconsin's higher education sectors will be in a better position to operate their programs more efficiently and to meet the needs of all students no matter their background.

This bill was drafted in consultation with and is supported by the Wisconsin Technical College System, UW System, and the Wisconsin Association of Independent Colleges and Universities.

Senate Bill 380, the senate companion, was unanimously passed by the full senate on September 14, 2023.

Thank you for your consideration, and I am happy to answer any questions.



DAVE MURPHY

State Representative • 56th Assembly District

Testimony of State Representative Dave Murphy **Assembly Bill 381**

September 20, 2023

Chairman Swearingen and members of the Assembly Committee on State Affairs, thank you for the opportunity to submit written testimony on Assembly Bill 381.

The FAFSA Simplification Act passed by the federal government makes significant changes to the federal financial aid process for college students that generally take effect on July 1, 2024. The new federal law necessitates changes to state statute. It also provides an opportunity to modernize Wisconsin's financial aid process to streamline it and make it more accessible for all students, especially those attending part-time so they can work as they earn their degree.

The major changes include:

- Changing the formula for determining eligibility for financial aid from the Expected Family Contribution (EFC) formula to the new federal Student Aid Index (SAI). According to the Congressional Research Service, “the SAI has fewer formula factors than the EFC, requires fewer questions on the FAFSA, and permits a higher share of FAFSA responses to be imported from a federal income tax return.”
- Increasing the 10 semester limit for Wisconsin Grants to 12 semesters and allowing reductions in eligibility in proportion to the student's actual enrollment rate to align it with federal Pell Grant standards.
- Removing the half-time enrollment requirement for Wisconsin Grants to ensure any student that meets the need analysis and is making satisfactory academic progress toward a credential can receive a Wisconsin Grant. This opens up eligibility for students who have other responsibilities like working a full-time job or caring for kids or aging parents to attend a school at their pace to earn their credential.
- Ensuring all sectors follow the same approval process through the Wisconsin Higher Educational Aids Board (HEAB) for their financial aid formula, but that each sector retains the flexibility to establish a formula that most efficiently utilizes their appropriation to benefit students.
- Updating the emergency grant program for the Wisconsin Technical College System (WTCS) and UW System, including expanding it to all UW System students to reflect the 2018 restructuring of the UW System two-year campuses into branch campuses.

It is important to pass this legislation now to give HEAB and all the state's higher education sectors time to implement the changes for the 2024-2025 academic year. This legislation was drafted in consultation with and is supported by the Wisconsin Technical College System, UW System, and the Wisconsin Association of Independent Colleges and Universities.

Thank you for your time and consideration.



Committee on State Affairs

2023 Assembly Bill 381

Relating to Wisconsin grants and other financial aid for higher education

The Wisconsin Association of Student Financial Aid Administrators (WASFAA) is a volunteer organization with a membership of over 300 financial aid administrators serving all sectors of higher education in Wisconsin. As financial aid administrators, we are dedicated to increasing access to affordable higher education opportunities for students and encouraging students to persist and complete degrees in fields which improve the lives of the citizens of Wisconsin.

WASFAA strongly supports the timely passage of Assembly Bill 381.

Assembly Bill 381 makes several changes to current state statutes which remove barriers for students pursuing higher education:

- Repeals two statutes which require male students to prove they have registered with the Selective Service System as a condition of receiving state financial aid;
- Expands emergency grant programs to students in all UW colleges and universities;
- Extends the time for which a student may qualify for the Wisconsin State Grant;
- Removes the prohibition on students enrolled less-than-half-time from receiving a Wisconsin State Grant; and
- Removes statutory minimums and maximums on the Wisconsin State Grant allowing for greater flexibility in awarding funds to students with financial need.

Additionally, Assembly Bill 381 updates language to align with changes to Federal needs analysis by removing references to the “expected family contribution”.

Finally, Assembly Bill 381 removes the Wisconsin Grant formula for private institutions from statute and delegates approval of an annual formula to HEAB, in alignment with the process for approving the formulas for the UW colleges and universities and the Wisconsin Technical colleges.

WASFAA appreciates your support of efforts to improve financial aid administration for the benefit of Wisconsin college and university students, the next generation of Wisconsin leaders.

On behalf of WASFAA

Mandy Slowinski, President

Katy Weisenburger, President-elect

Robert Bode, Past-president



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Assembly Committee on State Affairs

2023 Assembly Bill 381

Relating to Wisconsin grants and other financial aid for higher education

September 20, 2023

Chairman Swearingen and members of the Assembly Committee on State Affairs:

My name is Helen Faith, and I am the Director of the Office of Financial Aid at the University of Wisconsin-Madison. At UW-Madison, I am responsible for overseeing the office that advises students on their financial aid options, administers university aid programs including Bucky's Tuition Promise and Bucky's Pell Pathway, and provides emergency and basic needs support to students at the university. Thank you for the opportunity to provide testimony in support of Assembly Bill 381 which makes changes to the Wisconsin grant and updates other financial aid provisions in state law.

The University of Wisconsin-Madison strives to make higher education affordable for all students. One way we do this is by providing financial aid to those who demonstrate a need in order to attend college. Financial aid includes scholarships, grants, other gift aid, work programs, and federal student loans. Along with our colleagues in WAICU and the Wisconsin Technical College System, UW-Madison and the rest of the UW System campus financial aid directors urge passage of Assembly Bill 381, which makes changes to update financial aid provisions in state statute to align with recent changes made in federal law.

In December of 2020, the Free Application for Federal Student Aid (FAFSA) Simplification Act of 2020 was signed into law. The bipartisan measure made several changes to laws regulating federal financial aid. The provisions of Assembly Bill 381 propose three changes:

1. The U.S. Department of Education previously used "Estimate Family Contribution" (EFC) as methodology to calculate a student's financial need. This was changed to "Student Aid Index" (SAI). We request our state statutes be updated to reflect this change.
2. The FAFSA Simplification Act removed the requirement that a student confirm their Selective Service registration on the FAFSA application. Though the federal government still requires males 18 and older to register with the Selective Service, this data is no longer collected by the Department of Education or required to confirm registration to receive federal student aid. We

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request that our state statutes be updated to reflect this change.

3. A number of changes to the Wisconsin Grant would benefit students and assist in the streamlining of the financial aid award process. First, adjust Wisconsin Grants lifetime eligibility to align with the Federal Pell Grant: the Federal Pell Grant has an eligibility limit of six years or 12 semesters, prorated based on enrollment of the student, and allows students to be enrolled less than half-time to receive funding. The Wisconsin Grant currently caps eligibility at 10 semesters, regardless of the number of credits taken, and prohibits students who are enrolled less than half-time to receive a grant. This puts nontraditional students at a disadvantage. Second, eliminate outdated formula components currently in state statute to allow for a consistent award process. Finally, remove Wisconsin Grant maximum award dollar amount from state statutes: the statutory cap of \$3,150 no longer meets the intent of the program, which is to cover half of tuition costs for students eligible for the program.

Thank you for the opportunity to provide testimony on the impact that the legislation would have on UW-Madison. Questions can be directed to UW-Madison Senior Director of State Relations Crystal Potts (crystal.potts@wisc.edu; 608-265-4105).

ALVERNO COLLEGE
BELLIN COLLEGE
BELOIT COLLEGE
CARROLL UNIVERSITY
CARTHAGE COLLEGE
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EDGEWOOD COLLEGE
HERZING UNIVERSITY
LAKELAND UNIVERSITY
LAWRENCE UNIVERSITY
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WISCONSIN'S PRIVATE, NONPROFIT COLLEGES AND UNIVERSITIES
WORKING TOGETHER FOR EDUCATIONAL OPPORTUNITY

MARQUETTE UNIVERSITY
MEDICAL COLLEGE OF WISCONSIN
MILWAUKEE INSTITUTE OF ART & DESIGN
MILWAUKEE SCHOOL OF ENGINEERING
MOUNT MARY UNIVERSITY
NASHOTAH HOUSE
NORTHLAND COLLEGE
RIPON COLLEGE
ST. NORBERT COLLEGE
VITERBO UNIVERSITY
WISCONSIN LUTHERAN COLLEGE

Testimony of
Susan Teerink - Associate Vice Provost for Financial Aid & Enrollment Services at Marquette University
To
Assembly Committee on State Affairs
September 20, 2023

Dear Chair Swearingen and Members of the Committee,

Thank you for holding this public hearing today on Assembly Bill 381.

My name is Susan Teerink, I'm the Associate Vice Provost for Financial Aid & Enrollment Services at Marquette University. Marquette is a member of the Wisconsin Association of Independent Colleges and Universities, known as WAICU along with twenty-one other Wisconsin private, nonprofit institutions.

I have nearly 30 years of experience as a financial aid administrator and have led the financial aid office at Marquette University since 2006. I am a past president of the Wisconsin Association of Student Financial Aid Administrators (WASFAA) and currently serve as the private, non-profit institution representative to the Wisconsin Higher Education Aids Board. In addition, I served on the National Association of Student Financial Aid Administrators FAFSA Simplification Implementation Task Force and have participated in a work group with my WAICU colleagues, the University of Wisconsin System, the Wisconsin Technical College System and the Tribal Colleges for over two years to prepare for the federal changes necessitated by the FAFSA Simplification Act and the Futures Act.

First, I would like to thank Representative Murphy and Senator Ballweg for working with the higher education sectors and introducing this legislation. I would also like to thank the Legislature for their investment in the Wisconsin Grant programs. These programs, that have received bipartisan support, provide critical assistance to low and low-middle income Wisconsin students to enroll in higher education and persist to graduation. Research shows that recipients of student aid tend to work in the same state upon graduation at a higher rate than those who do not receive such aid, making this a vital investment in Wisconsin's future workforce needs. This is especially important now given the workforce shortages that exist in so many occupations.

The current formula for the Wisconsin Grant for students attending private nonprofit institutions has been in state statute for over 50 years. It is the only sector formula that is listed in state statute and because of this, has become outdated, inefficient and administratively burdensome for financial aid directors and for the Higher Education Aids Board staff as they have to manage over 100 tuition levels for 20 independent colleges. (Two WAICU institutions are graduate only institutions) This results in little to no transparency for students and parents as students would need to go through all of the formula components to calculate how much Wisconsin Grant for which they are eligible. Completing a FAFSA form is already time consuming and financial aid directors know students have a hard time understanding the formula that determines their state grant eligibility. Currently, Wisconsin Grant for private nonprofit awards vary based on each institution's tuition levels.

When compared to other Wisconsin higher education sectors, the formula for the private colleges is quite complicated. Other sectors share the same concept in their award calculations with three main components including a student budget, the expected family contribution, and student award percentage. WAICU is proposing utilizing a similar formula that will result in the following:

- Utilizing one standard tuition level for all schools, called a tuition equalizer, eliminating the need for HEAB to utilize over 100 tuition levels in their calculations.
- Students will receive the same award amount, regardless of the private, nonprofit institution they attend.
- Eliminate the gap between independent and dependent students in the private, nonprofit sector to be the same as other sectors.
- Standardize the proration process for all students.
- Provide for fewer steps in the formula.
- Fewer annual updates/changes needed.

Given that the Reauthorization of the Higher Education Act is long overdue and was last reauthorized in 2008, there could be additional changes in upcoming sessions of Congress. Our requested change will allow for greater flexibility in formula administration should additional federal changes be made and address the variability in student enrollments. The changes will also ensure that all Wisconsin resident students, regardless of which sector they enroll in, a University of Wisconsin institution, a Wisconsin Technical College System Institution, a WAICU institution and a Tribal College are equitably treated. I respectfully request your support for this important legislation for Wisconsin students.



Office of Government Relations

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DATE: September 20, 2023

TO: Members of the Assembly Committee on State Affairs

FROM: UW System Office of Government Relations

RE: Written Testimony in Support of Assembly Bill 381

Thank you, Chair Swearingen and committee members, for providing the UW System (UWS) an opportunity to submit written testimony in support of Assembly Bill 381 (AB 381). We thank Representative Murphy and Senator Ballweg for authoring this legislation, which has been a collaborative effort with each of the higher education sectors and the Wisconsin Higher Education Aids Board (HEAB).

Assembly Bill 381 makes several improvements to Wisconsin's financial aid programs to benefit students. These changes will make Wisconsin's financial aid programs more user-friendly and align with federal financial aid requirements. The accompanying memo outlines the three major changes in the bill, which include:

- Update references in state statute from Expected Family Income (EFC) to Student Aid Index (SAI);
- Align Wisconsin statute with federal financial aid Selective Service requirements, and;
- Amend the Wisconsin Grant Program to be more student friendly.

The first two changes simply align Wisconsin statutes and processes with changes occurring at the federal level. This will provide clarity for students and remove barriers to accessing state financial aid benefits for our students who are required to register for the Selective Service. The requested changes to the Wisconsin Grant Program would not only allow the program to operate in a more understandable manner for all higher education students, but specific to UWS will allow us to provide more support to students who have the most financial need. State statute currently limits the Wisconsin Grant award maximum to \$3,150 for UWS and Wisconsin Technical College System students. The statutory cap has limited the amount of aid that can be provided to students with the most need. By lifting the cap, it will allow us the flexibility to provide more adequate funding to this group of students, which during the 2021-2022 academic year could have impacted each of the 28,438 students who received a Wisconsin Grant.

Beyond the changes outlined in the accompanying memo, AB 381 also expands access to the emergency grants program for UWS. With the merger of UW Colleges and the UW System, as of July 1, 2018, each UW Colleges campus officially became a branch campus to a four-year UW school. Currently, emergency grant funds can only be provided to students attending a branch campus. The legislation would expand eligibility to allow students at either a branch or four-year

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campus to apply for the funds. Unforeseen circumstances can impact all students, and expanding the program will allow all students to apply for these funds.

One of the objectives of the UW System five-year strategic plan is “enhancing the student experience and social mobility”. AB 381 helps the UW System—and all the higher education sectors—with this objective, by simplifying and improving Wisconsin’s financial aid programs to meet the needs of our students.

We again thank the authors for collaborating with the higher education sectors to modernize Wisconsin’s financial aid statutes and process to better serve our student population.