



**Senate Bill 380: Financial Aid Modernization for Higher Education**  
**Senate Committee on Universities and Revenue**  
**Testimony of Senator Joan Ballweg**  
**August 23, 2023**

Good morning, 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 takes 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 SB 380 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 · 14<sup>TH</sup> 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.

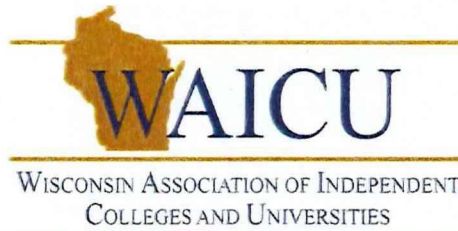
Not all students seeking a postsecondary credential are the traditional student coming out of high school. These changes will better align state and federal financial aid programs, and it will make Wisconsin's financial aid programs more accessible to students who are not currently eligible. It will 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.

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



ALVERNO COLLEGE  
BELLIN COLLEGE  
BELOIT COLLEGE  
CARROLL UNIVERSITY  
CARTHAGE COLLEGE  
CONCORDIA UNIVERSITY  
EDGEWOOD COLLEGE  
HERZING UNIVERSITY  
LAKELAND UNIVERSITY  
LAWRENCE UNIVERSITY  
MARIAN UNIVERSITY



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 in Support of Senate Bill 380**

**Susan Teerink - Associate Vice Provost for Financial Aid & Enrollment Services at Marquette University**

**To**

**Senate Committee on Universities and Revenue**

**August 23, 2023**

Dear Chair Hutton and Members of the Committee,

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 Senator Ballweg and Representative Murphy for working with the higher education sectors to introduce Senate Bill 380. 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. Currently, Wisconsin Grant awards for private nonprofit students 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.



# WISCONSIN

UNIVERSITY OF WISCONSIN-MADISON

## Senate Committee on Universities & Revenue

### 2023 Senate Bill 380

*Relating to Wisconsin grants and other financial aid for higher education*

August 23, 2023

Chairman Hutton and members of the Senate Committee on Universities & Revenue:

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 Senate Bill 380 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 Senate Bill 380, 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 Senate Bill 380 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. The proposed changes to the Wisconsin Grant would benefit students and assist in streamlining the financial aid award process. First, adjusting Wisconsin Grants lifetime eligibility to align with the Federal Pell Grant will ensure consistent and congruent support for students receiving both sources of support. 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 caps eligibility at 10 semesters, regardless of the number of credits taken, and prohibits students enrolled less than half-time to receive a grant. This disadvantages nontraditional students in progressing toward and completing their programs of study, as they frequently attend part-time due to competing responsibilities and run out of Wisconsin Grant eligibility while continuing to receive Pell Grant funding. Secondly, 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](mailto:crystal.potts@wisc.edu); 608-265-4105).

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# State Financial Aid Modernization

On December 27, 2020, congress passed, and the President signed, the Free Application for Federal Student Aid (FAFSA) Simplification Act of 2020, which was a bipartisan measure that made several changes to the Higher Education Act of 1965 (HEA).

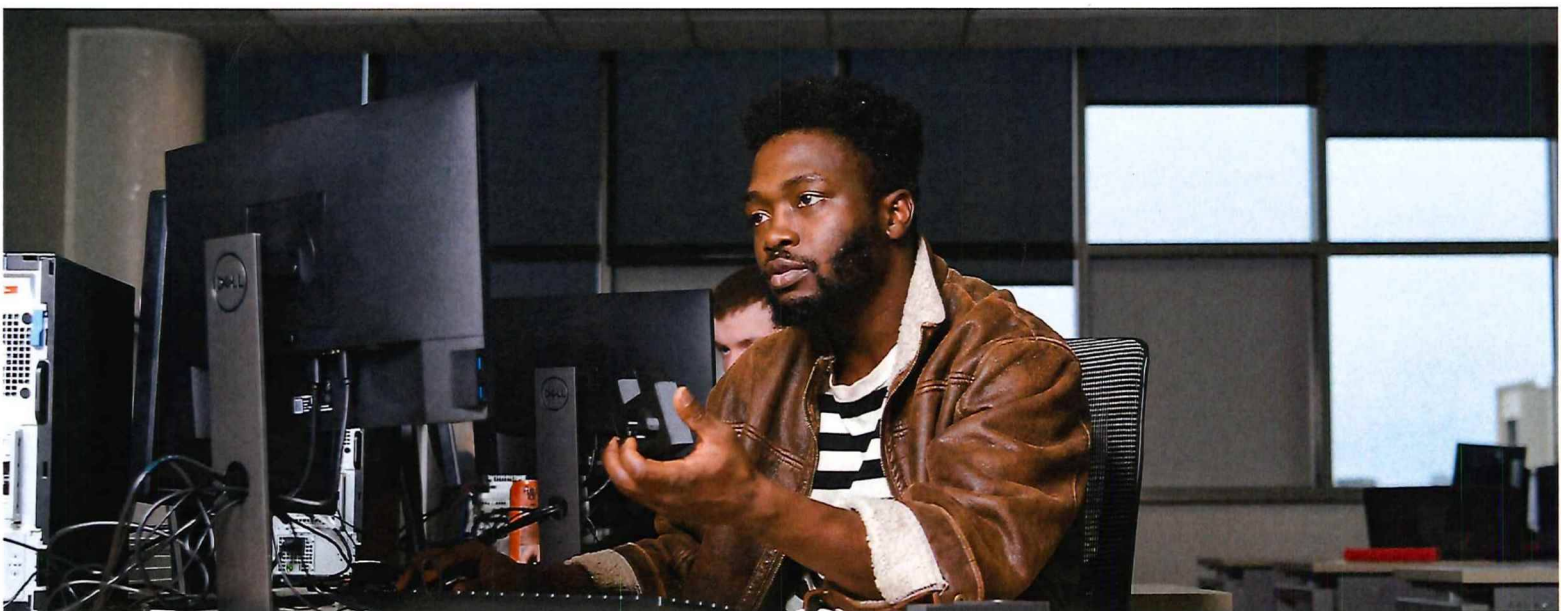
Some of the changes in the law have a direct impact on the administration of our Wisconsin's financial aid programs for all higher education sectors. Two significant changes in federal law modify the methodology for calculating a student's financial need and remove the requirement to report selective service registration to receive Federal financial aid. In partnership with the Higher Educational Aids Board (HEAB), all higher education sectors in Wisconsin have examined the changes and are requesting legislative changes so Wisconsin students will continue to benefit from our state's financial aid programs.

These changes include:

- Update references to Expected Family Contribution (EFC) in state statutes to Student Aid Index (SAI)
- Align Wisconsin with federal financial aid Selective Service requirements
- Amend the Wisconsin Grants Program to be more student friendly

## Update references to Expected Family Contribution (EFC) in state statutes

The U.S. Department of Education (DOE) has used EFC as the methodology for calculating a student's educational financial need for decades. The federal FAFSA Simplification Act updated the methodology from the EFC to SAI. All higher education sectors in Wisconsin currently use the EFC to calculate Wisconsin Grant and other financial aid awards. We request that our state statutes are amended where EFC is referenced (including chapter 36, 38 and 39) to the current needs analysis formula, now known as SAI.





## **Align Wisconsin with federal financial aid Selective Service requirements**

The bipartisan FAFSA Simplification Act also removed the need for a student to confirm their Selective Service registration on the FAFSA application. Although federal law still requires males 18 and older to register with the Selective Service, this data is no longer collected by the Department of Education (DOE) or required to confirm registration to receive federal student aid. Under state statutes, Wisconsin is prohibited from providing state financial aid to students who do not register with the federal Selective Service. Since this data is no longer matched and provided by the federal government, Wisconsin students are burdened with providing proof of registration before they can qualify and receive state aid. All Wisconsin higher education sectors are recommending that verification of the Selective Service registration should be removed from state statutes to align with the federal policy change.

## **Amend the Wisconsin Grants Program to be more student friendly**

To assist Wisconsin students in navigating the federal and state financial aid process, and recognizing the changing nature of today's students, the higher education sectors are requesting changes to the 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, is prorated based on the enrollment of the student, and allows students enrolled less than half-time to receive funding. The Wisconsin Grant 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 leaves Wisconsin's nontraditional students at a disadvantage. We request state statutes be amended to align the eligibility cap with the Federal Pell Grant and to provide students who are enrolled less than half-time equal access to Wisconsin Grant funding.



We also request that outdated formula components be eliminated in statutes to allow for a consistent award process

for all sectors of higher education. This will allow for a more efficient and transparent process for students and families and update language that has been in the statutes since the early 1970s.

Finally, the sectors would like to request the Wisconsin Grant maximum award dollar amount be removed 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. Removal of the cap will provide students who have the most need more suitable grant awards.

**The sectors support Senate Bill 380 and Assembly Bill 381 which address all the needs outlined within this document and will modernize financial aid for Wisconsin.**





Testimony of State Representative Dave Murphy  
**Senate Bill 380**  
August 23, 2023

Chairman Hutton and members of the Senate Committee on Universities and Revenue, thank you for the opportunity to submit written testimony on Senate Bill 380.

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.



Office of Government Relations

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DATE: August 23, 2023

TO: Members of the Senate Committee on Universities and Revenue

FROM: UW System Office of Government Relations

RE: Written Testimony in Support of Senate Bill 380

Thank you, Chair Hutton and committee members, for providing the UW System (UWS) an opportunity to submit written testimony in support of Senate Bill 380 (SB 380). We thank Senator Ballweg and Representative Murphy 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).

Senate Bill 380 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, SB 380 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

(Cont.)



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”. SB 380 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.

# State Financial Aid Modernization

On December 27, 2020, congress passed, and the President signed, the Free Application for Federal Student Aid (FAFSA) Simplification Act of 2020, which was a bipartisan measure that made several changes to the Higher Education Act of 1965 (HEA).

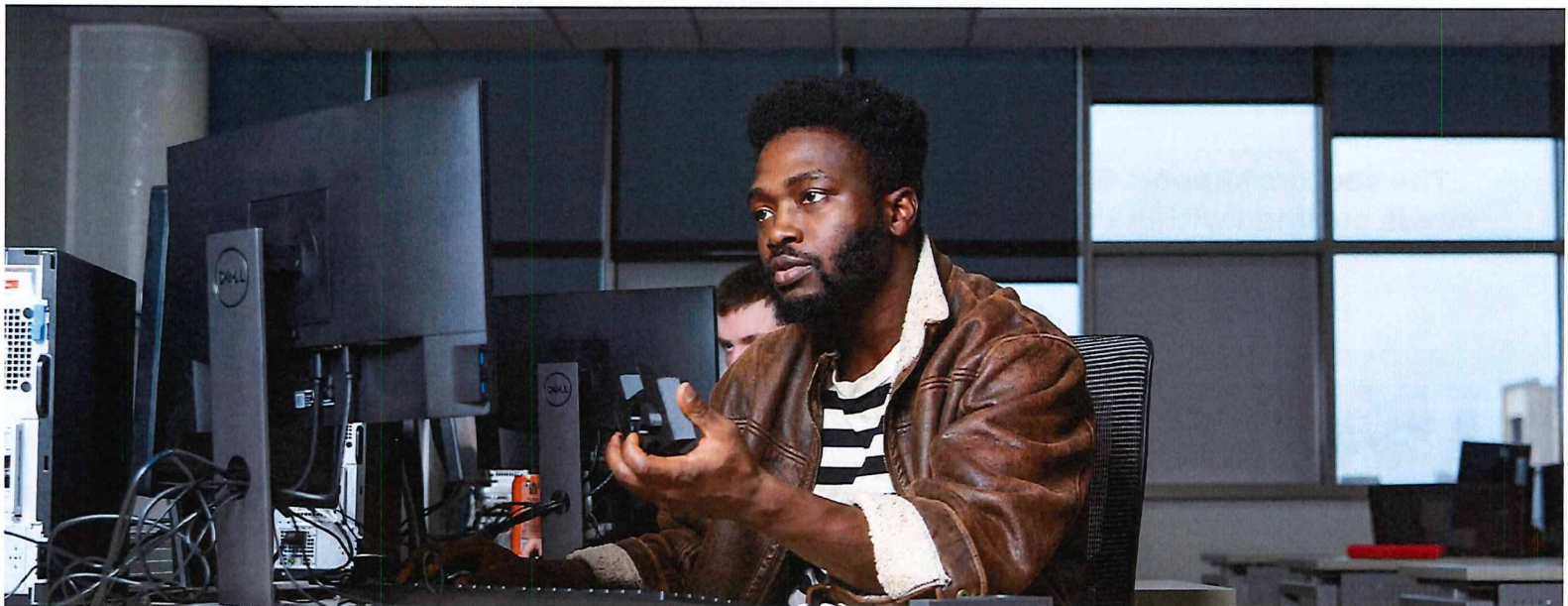
Some of the changes in the law have a direct impact on the administration of our Wisconsin's financial aid programs for all higher education sectors. Two significant changes in federal law modify the methodology for calculating a student's financial need and remove the requirement to report selective service registration to receive Federal financial aid. In partnership with the Higher Educational Aids Board (HEAB), all higher education sectors in Wisconsin have examined the changes and are requesting legislative changes so Wisconsin students will continue to benefit from our state's financial aid programs.

These changes include:

- Update references to Expected Family Contribution (EFC) in state statutes to Student Aid Index (SAI)
- Align Wisconsin with federal financial aid Selective Service requirements
- Amend the Wisconsin Grants Program to be more student friendly

## Update references to Expected Family Contribution (EFC) in state statutes

The U.S. Department of Education (DOE) has used EFC as the methodology for calculating a student's educational financial need for decades. The federal FAFSA Simplification Act updated the methodology from the EFC to SAI. All higher education sectors in Wisconsin currently use the EFC to calculate Wisconsin Grant and other financial aid awards. We request that our state statutes are amended where EFC is referenced (including chapter 36, 38 and 39) to the current needs analysis formula, now known as SAI.





## **Align Wisconsin with federal financial aid Selective Service requirements**

The bipartisan FAFSA Simplification Act also removed the need for a student to confirm their Selective Service registration on the FAFSA application. Although federal law still requires males 18 and older to register with the Selective Service, this data is no longer collected by the Department of Education (DOE) or required to confirm registration to receive federal student aid. Under state statutes, Wisconsin is prohibited from providing state financial aid to students who do not register with the federal Selective Service. Since this data is no longer matched and provided by the federal government, Wisconsin students are burdened with providing proof of registration before they can qualify and receive state aid. All Wisconsin higher education sectors are recommending that verification of the Selective Service registration should be removed from state statutes to align with the federal policy change.

## **Amend the Wisconsin Grants Program to be more student friendly**

To assist Wisconsin students in navigating the federal and state financial aid process, and recognizing the changing nature of today's students, the higher education sectors are requesting changes to the 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, is prorated based on the enrollment of the student, and allows students enrolled less than half-time to receive funding. The Wisconsin Grant 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 leaves Wisconsin's nontraditional students at a disadvantage. We request state statutes be amended to align the eligibility cap with the Federal Pell Grant and to provide students who are enrolled less than half-time equal access to Wisconsin Grant funding.

We also request that outdated formula components be eliminated in statutes to allow for a consistent award process for all sectors of higher education. This will allow for a more efficient and transparent process for students and families and update language that has been in the statutes since the early 1970s.

Finally, the sectors would like to request the Wisconsin Grant maximum award dollar amount be removed 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. Removal of the cap will provide students who have the most need more suitable grant awards.

**The sectors support Senate Bill 380 and Assembly Bill 381 which address all the needs outlined within this document and will modernize financial aid for Wisconsin.**





## **Senate Committee on Universities and Revenue**

2023 Senate Bill 380

*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 Senate Bill 380.

Senate Bill 380 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, Senate Bill 380 updates language to align with changes to Federal needs analysis by removing references to the “expected family contribution”.

Finally, Senate Bill 380 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*