



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #442

Mainframe Upgrade Project (HEAB)

[LFB 2005-07 Budget Summary: Page 307, #8]

CURRENT LAW

The Higher Educational Aids Board (HEAB) is the primary agency responsible for the management and oversight of the state's student financial aid system for Wisconsin residents attending institutions of higher education. As such, HEAB administers state-funded, student financial aid programs and negotiates interstate higher education reciprocity agreements.

GOVERNOR

Provide \$134,100 GPR in 2005-06 and \$120,900 GPR in 2006-07 to fund mainframe computer upgrades.

DISCUSSION POINTS

1. HEAB is the primary agency responsible for the management and oversight of the state's student financial aid system for Wisconsin residents attending institutions of higher education. As such, HEAB administers state-funded, student financial aid programs, and negotiates interstate higher education reciprocity agreements. HEAB has a staff of 11.0 FTE employees; base funding for general program operations is \$814,700, with \$735,900 GPR, \$77,800 SEG, and \$1,000 PR.

2. HEAB currently uses a mainframe computer system to process student financial aid requests, determine eligibility for state aid, and transfer student data. Currently, one FTE programmer handles all of the day-to-day mainframe maintenance and processing. Over the course of a year, the mainframe system processes nearly 197,000 federal financial aid request records, which are transferred to the agency electronically from the federal government. The records are then transferred by HEAB to schools within the state, which then send electronic records back to HEAB

to request payment vouchers for their students that receive financial aid. In order to ensure compliance with state and federal financial aid regulations, HEAB maintains more than 2.6 million student financial aid records on the current mainframe system.

3. The current mainframe program was written in the early 1970s and has been updated piecemeal over the past three decades. Over time, patches to the programming have been made to account for new financial aid programs, changing federal reporting standards and requirements, and changes in internal policies and procedures. According to HEAB, the current mainframe programs are written in multiple programming languages and require staff overtime to maintain and run even the simplest of data transfers and program updates. The proposed mainframe upgrade would permit HEAB staff to process financial aid more efficiently and better serve the students that receive financial aid. If the proposed funding is deleted, the upgrade would be delayed; however, the upgrade has been under consideration for several years with funding proposed but then deleted from the 2001-03 budget bill.

4. The Governor would provide \$255,000 during 2005-07 for HEAB to completely review and upgrade the existing mainframe computer programs. The total reprogramming project is expected to last 18 months with funding provided for programming staff costs and CPU mainframe time used during the project. However, authority for the 2.0 two-year project positions needed to analyze and program the changes and updates to the system were not included in the Governor's provision. In addition, funding provided under the Governor's budget for the computer upgrade project was inadvertently included in the tuition grant appropriation. In order to correct this provision, the Committee could provide the funding that was included under the Governor's provision for the computer upgrade to HEAB's general program operations appropriation and provide 2.0 two-year GPR project positions starting in 2005-06.

ALTERNATIVES

1. Approve the Governor's recommendations, with a technical modification.
2. Modify Alternative 1 to authorize 2.0 two-year project positions in HEAB's general program operations appropriation starting in 2005-06.

<u>Alternative 2</u>	<u>GPR</u>
2006-07 POSITIONS (Change to Bill)	2.00

3. Delete the provision.

<u>Alternative 3</u>	<u>GPR</u>
2005-07 FUNDING (Change to Bill)	- \$255,000

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