

HIGHER EDUCATIONAL AIDS BOARD

Budget Summary							
Fund	2022-23 Base Year Doubled	2023-25 Governor	2023-25 Jt. Finance	2023-25 Legislature	2023-25 Act 19	Act 19 Change Over Base Year Doubled	
						Amount	Percent
GPR	\$297,243,000	\$326,429,100	\$298,642,300	\$298,642,300	\$298,642,300	\$1,399,300	0.5%
FED	300,000	300,000	300,000	300,000	300,000	0	0.0
PR	<u>3,334,800</u>	<u>3,408,300</u>	<u>3,334,800</u>	<u>3,334,800</u>	<u>3,334,800</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$300,877,800	\$330,137,400	\$302,277,100	\$302,277,100	\$302,277,100	\$1,399,300	0.5%

FTE Position Summary						
Fund	2022-23 Base	2024-25 Governor	2024-25 Jt. Finance	2024-25 Legislature	2024-25 Act 19	Act 19 Change Over 2022-23 Base
GPR	10.00	14.00	11.50	11.50	11.50	1.50

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 105]

GPR	\$21,000
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Governor/Legislature: Provide adjustments to the base budget of \$12,900 annually for full funding of continuing salaries and fringe benefits and -\$2,400 annually for full funding of lease and directed moves costs.

2. NURSE EDUCATORS [LFB Paper 480]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$10,000,000	-\$10,000,000	\$0

Governor: Provide \$5,000,000 annually for the nurse educators program above base level funding of \$5,000,000.

2021 Act 58 provided \$5,000,000 GPR in 2022-23 in the Joint Committee on Finance

supplemental appropriation for release to HEAB upon request and approval by the Committee for a Nurse Educators program. The Act also created a new, continuing appropriation under HEAB for the program, to which funding was transferred upon release by the Committee. The Act specified that the nurse educator program applies to students and graduates of institutions of higher education, defined as private, non-profit colleges located in Wisconsin, colleges within the Wisconsin Technical College System (WTCS), and UW System institutions or campuses. The program is required to provide: (a) fellowships to students who enroll in programs for degrees in doctor of nursing practice, doctor of philosophy in nursing, or master of science in nursing in an institution of higher education; (b) educational loan repayment assistance to recruit and retain faculty for nursing programs in an institution of higher education; and (c) postdoctoral fellowships to recruit faculty for nursing programs in an institution of higher education. Individuals who receive fellowships or loan repayment assistance are required to teach for three consecutive years in a nursing program at an institution of higher education.

Joint Finance/Legislature: Provision not included.

3. INFORMATION TECHNOLOGY MODERNIZATION PROJECT [LFB Paper 481]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$1,465,000	2.00	-\$170,100	- 1.00	\$1,294,900	1.00

Governor: Provide \$712,900 and 2.00 positions in 2023-24 and \$752,100 in 2024-25 to support ongoing costs of HEAB's informational technology (IT) modernization project. HEAB's current mainframe system was built in 1968 and utilizes outdated computer programming and database language. The current system also does not interface well with cloud-based technologies. The modernization project includes implementation of a new system using the Microsoft.net platform for all of the programs HEAB administers. The new system will address changes in the calculation of financial need required under the federal Free Application of Federal Student Aid (FAFSA) Simplification Act of 2019, as well as improve the Board's ability to interface with the federal government and higher educational institutions. HEAB utilized \$3.1 million in federal ARPA funds for the upfront development costs of the new system. Funding provided under the bill would support ongoing costs including 2.0 business analysts to support the new system, perform data analysis, manage communications with external parties and conduct testing. Remaining funding would be utilized for hosting and vendor maintenance changes.

Joint Finance/Legislature: Provide \$640,000 GPR in 2023-24 and \$654,900 GPR in 2024-25 and 1.0 GPR position for information technology modernization.

4. INFORMATION TECHNOLOGY PERSONNEL [LFB Paper 481]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$340,500	1.50	-\$257,100	- 1.00	\$83,400	0.50

Governor: Provide \$209,900 and 1.50 positions (1.0 project position and 0.50 FTE) in 2023-24 and \$130,600 in 2024-25 for HEAB informational technology (IT) personnel. State budget staff indicate the project position is intended to allow current IT staff to train new staff prior to a retirement. The additional 0.50 FTE position would bring a 0.50 IT position to full-time.

Joint Finance/Legislature: Provide \$41,600 GPR in 2023-24 and \$41,800 GPR in 2024-25 and 0.5 GPR position for information technology personnel.

5. JOHN R. JUSTICE STUDENT LOAN REPAYMENT PROGRAM

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$70,100	0.50	-\$70,100	- 0.50	\$0	0.00

Governor: Provide \$28,300 in 2023-24 and \$41,800 in 2024-25 with 0.50 positions beginning in 2023-24 to administer the John R. Justice loan repayment program.

The John R. Justice program provides loan repayment assistance for state and federal public defenders and state prosecutors who agree to remain employed as public defenders and prosecutors for at least three years. In Wisconsin, HEAB is the designated administrative agency for the program.

Joint Finance/Legislature: Provision not included.

6. WISCONSIN GRANTS -- UW SYSTEM [LFB Paper 482]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$9,439,100	-\$9,439,100	\$0

Governor: Increase funding for Wisconsin Grants for UW System students by \$3,094,800 in 2023-24 and \$6,344,300 in 2024-25. When calculated as a change to the prior year, there would be an increase of 5% in 2023-24 over 2022-23, and an increase of 9.8% in 2024-25 over 2023-24. Annual base level funding for this program is \$61,894,100.

Joint Finance/Legislature: Provision not included.

7. WISCONSIN GRANTS -- TECHNICAL COLLEGES [LFB Paper 482]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$3,503,300	- \$3,503,300	\$0

Governor: Increase funding for Wisconsin Grants for technical college students by \$1,148,600 in 2023-24 and \$2,354,700 in 2024-25. When calculated as a change to the prior year, there would be an increase of 5% in 2023-24 over 2022-23, and an increase of 9.8% in 2024-25 over 2023-24. Annual base level funding for the program is \$22,971,700.

Joint Finance/Legislature: Provision not included.

8. WISCONSIN GRANTS -- PRIVATE, NONPROFIT COLLEGES [LFB Paper 482]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$4,347,100	- \$4,347,100	\$0

Governor: Increase funding for Wisconsin Grants for private, nonprofit college students by \$1,425,300 in 2023-24, and \$2,921,800 in 2024-25. When calculated as a change to the prior year, there would be an increase of 5% in 2023-24 over 2022-23 and 9.8% in 2024-25 over 2023-24. Annual base funding for this program is \$28,504,600.

Joint Finance/Legislature: Provision not included.

9. WISCONSIN GRANTS -- TRIBAL COLLEGES [LFB Paper 482]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
PR	\$73,500	- \$73,500	\$0

Governor: Provide an increase of \$24,100 in 2023-24 and \$49,400 in 2024-25 for Wisconsin Grants for tribal college students. When calculated as a change to the prior year, there would be an increase of 5% in 2023-24 over 2022-23 and an increase of 9.8% in 2024-25 over 2023-24. Annual base funding for the program is \$481,800. Wisconsin Grants for tribal college students are funded with tribal gaming revenue.

Joint Finance/Legislature: Provision not included.

10. WISCONSIN GRANTS TO UW SYSTEM, TECHNICAL COLLEGES, AND TRIBAL COLLEGES PROGRAM CHANGES

Governor: Specify that the maximum Wisconsin Grant awarded to a UW System student may not exceed one-half of in-state undergraduate tuition and fees charged at UW-Madison for the academic year in which the grant is awarded. (Based on total 2022-23 in-state tuition and fees at UW-Madison of \$9,273, the maximum award would be \$4,637.) In addition, specify that Wisconsin residents enrolled at least one-quarter time at a Wisconsin Technical College System institution are eligible to receive Wisconsin Grants. Further, clarify that the maximum number of semesters a UW System, technical college, or tribal college student may be eligible for a Wisconsin Grant is 12 semesters or their equivalent, and for students attending less than full-time, only the fraction of the student's enrollment, in proportion to full-time enrollment, may be counted toward the semester limit.

Under current law, the minimum Wisconsin Grant that can be awarded is \$250, while the maximum grant awarded to UW, technical college, and tribal college students may not exceed \$3,150. There is currently no statutory maximum for Wisconsin Grants awarded to private, nonprofit college and university students. Actual minimum and maximum grants vary by sector and are approved annually by the HEAB Board. The Board approved a maximum of \$3,150 for Wisconsin Grants to UW System students in 2022-23. Currently, eligibility for Wisconsin Grants is limited to students enrolled at least half-time. There is currently no statutory maximum for the number of semesters a Wisconsin Grant may be awarded to UW System, technical colleges, and tribal college students, although HEAB indicates that in practice, they apply a 10 semesters or equivalent limit (consistent with the limit on Wisconsin Grants awarded to private, nonprofit college students).

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #10.)

11. WISCONSIN GRANTS TO PRIVATE NONPROFIT COLLEGES PROGRAM CHANGES

Governor: Delete the current law requirements related to calculation of Wisconsin Grants awarded to students attending private, nonprofit colleges. Instead, specify that, effective for grants awarded for the semester or session beginning after the effective date of the bill, HEAB must award such grants based on a formula, subject to HEAB review and approval, which accounts for a family's expected family contribution and that is consistent with generally accepted definitions and nationally approved needs analysis methodology.

Under current law, individual Wisconsin Grant amounts are calculated using formulas which are approved annually by HEAB. For Wisconsin Grants to UW System, technical college, and tribal college students, statutes currently require that these formulas account for expected family contribution and are consistent with nationally approved needs analysis methodology. HEAB currently approves a total of five formulas, one each for UW students, technical college students, and tribal college students, and two for private, nonprofit college and university students. Current law requires HEAB to use different formulas for dependent and independent students attending

private, nonprofit colleges and universities. Under these formulas, dependent students receive larger grants than independent students. The formulas for Wisconsin Grants for private, nonprofit college and university students also include a calculation of the amount by which the student's tuition exceeds UW-Madison tuition. Applicants who attend private, non-profit institutions that charge higher tuition are eligible for larger awards. The bill would eliminate the current requirements related to the formula for calculating Wisconsin Grants to private, nonprofit college students including the distinction between independent and dependent students. Under the bill, the formula would be required to take into account expected family contribution, consistent with the other sector's Wisconsin Grant formulas, and the formula would remain subject to annual review and approval by HEAB, including the maximum grant award. There is currently no statutory maximum for Wisconsin Grants awarded to private, nonprofit college and university students.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #10.)

12. TALENT INCENTIVE AND HEARING AND VISUALLY IMPAIRED GRANT PROGRAMS TECHNICAL CHANGES

Governor: Create a separate section of the statutes for the talent incentive grant and hearing and visually impaired grant programs, and delete their corresponding subsections under the Wisconsin Grant program section of the statutes.

The Talent Incentive Grant Program (known as "TIP") provides grants to the most needy and educationally disadvantaged students. Freshmen grant recipients are selected by the staff of the Wisconsin Educational Opportunity Program (WEOP) in the Department of Public Instruction and institutional financial aid officers. Only students who receive TIP awards as freshmen are eligible to receive awards as upperclassmen. Freshmen TIP awards are made by financial aid officers and WEOP counselors; HEAB determines the awards for those who continue to enroll as upperclassmen. Unlike other financial aid programs, TIP funding is guaranteed for continuing upperclassmen, thus obligating HEAB to four years of support once an initial award is made. Students may be awarded both a maximum TIP award as well as a maximum Wisconsin Grant award.

Under the visual or hearing impaired grant program, Wisconsin residents who have a severe or profound hearing or visual impairment and are enrolled as undergraduates at an in-state or eligible out-of-state public or private, nonprofit postsecondary institution are eligible for financial assistance. Students are eligible for a maximum grant of \$1,800 a year in addition to any grants received under the Wisconsin Grant program.

Students may receive TIP and hearing and visually impaired awards for up to 10 semesters within the first six years after the initial grant was awarded.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #10.)

13. CALCULATION OF STUDENT FINANCIAL AID TERMINOLOGY

Governor: Modify the definition of "expected family contribution" under section 39.437(3)(a) of the statutes, to, upon implementation of the federal Free Application of Federal Student Aid (FAFSA) Simplification Act of 2019, be determined consistently with requirements for determining the student aid index. In addition, clarify that the formulas for Wisconsin Grants to UW System, technical college, and tribal college students, refer to this definition of expected family contribution.

The FAFSA Simplification Act replaces the expected family contribution calculation with a new calculation referred to as the student aid index. The Act is currently scheduled to become effective July 1, 2024, and would be first used for financial aid awards made for award year 2024-25.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #10.)

14. DOA ADMINISTRATIVE SUPPORT

Governor: Provide 1.0 position and associated funding to the Department of Administration for HEAB administrative support. Under current law, HEAB is responsible for its own administrative services. [See "Administration -- General Agency Provisions."]

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #10.)