

## **2012 COMMISSION ON FINANCIAL AID CONSOLIDATION AND MODERNIZATION**

### **Summary of Meeting – Tuesday, August 7, 2012 (Final version)**

At the August 7, 2012 meeting, the Commission met to continue its discussion issues of funding the HEAB grant programs, including funding levels generally (but not specific dollar amounts); the possibility of recommending a statutory link between funding levels for HEAB grants and UW tuition levels; and recommendations for allowing part-time students to have increased opportunities to receive HEAB grants. The Commission also planned to begin discussions on the potential for consolidation of the HEAB grant programs, which could include the Academic Excellence Scholarship program and the various loan-forgiveness programs; as well as to discuss possible administrative changes to Wisconsin Covenant pending its scheduled sunset.

At this meeting the Commission reached the following conclusions.

1. The report of the Commission will include a preface or background section that will present data about rising student need, including statistics regarding students qualifying for HEAB grants but unfunded; tuition trends at the four sectors; recent funding history of HEAB and federal financial aid programs; comparisons of tuition levels in the four sectors and funding of HEAB grant programs; funding of financial aid in Wisconsin relative to other states; and other related data.
2. The preface is also to discuss the metrics that are used to assess the “effectiveness” or the “transparency” of financial aid (the rates of degree completion, the data on time-to-completion, and information correlating credential-completion to future income). In addition, the report will make the case that the “effectiveness” metrics are an incomplete measure of the impact of higher-education aid because even students who don’t complete a credential will see increases in income, in opportunity, and in workplace preparedness.
3. The Commission reiterated its decision from the July 24 to recommend a statutory link between tuition and appropriations for HEAB grant programs. The link for WHEG-UW, WHEG-Tribal, and WTG is an average of tuition at the various UW institutions; for WHEG-WTC it is to be an average of tuition at the various WTC institutions.
4. The Commission agreed that its report will address funding levels for HEAB grant programs by suggesting that unmet student need is a justification for increasing spending on aid in order to reduce unmet need. No amount will be suggested. The report will acknowledge that unmet student financial need can be measured in the aggregate, and will provide a history of unmet need and state its importance for policymaking. The report will not suggest that a specific target-level of unmet need. The report will however include a table showing the current aggregate level of unmet need (presently perhaps 35% over all sectors) and offer a list of increases that would be necessary, all else remaining constant, to reduce that level to (30%) (25%) (20%) and so on, in tiers.
5. The Commission will recommend in its report that HEAB and the academic sectors commence an outreach effort to the legislature explaining the avenues and options for financial aid, and for financial literacy generally in making college decisions; and that this effort should include a half-day workshop in the Capitol for legislative offices at the

start of each year. The sessions would also afford an opportunity for the higher-education community to make the case for continued and increased financial aid appropriations.

6. Regarding potential proration of WHEG for part-time students, a number of administrative issues were discussed.
  - Some on the Commission were sympathetic to proration and indicated that they could support a recommendation that proration be facilitated in the law, as an option rather than as a requirement; this group also expressed its belief that the HEAB Board should be asked to look at the issues that would be raised by proration.
  - There was consensus that if a recommendation in support of proration were made, a logical first step would be to seek empowerment for the HEAB Board to begin proration upon recommendation from the sectors (rather than mandated proration) and that consideration of proration needed to examine proration's likely effect on the current population of (full-time) students receiving grants. For the next meeting of the Commission on August 29, Tormey and Reinemann were asked to draft a decision paper for the Commission's use that would list the various policy and logistical issues and questions accompanying possible WHEG grant proration.
7. The Commission discussed the idea that the Academic Excellence Scholarship and / or the various targeted loan-forgiveness programs administered by HEAB could be subsumed into the larger grant programs (WTG and WHEG). Also discussed was a possible recommendation discouraging creation of new targeted loan-forgiveness programs. There was no agreement to recommend such actions. It was agreed that the Commission report would state that the issue was examined, and that a recommendation for change (either expansion or contraction) was not made because there is a lack of hard evidence on the effects of these programs in changing student plans and in reacting to changing needs in the economy. The report will mention the Commission's examination of the matter and discuss some of the issues / questions in this regard.
8. On reorganizing and consolidating the grant programs (WTG and WHEG), it was agreed that the Commission would recommend re-naming the programs so that all four sector grant programs had the same name; that an acronymic suffix be retained to designate which sector is being referred to (e.g. "WTG-UW"); and that the current system of separate formulae and appropriations would be retained.
9. The Commission decided to recommend that the current capitation programs (Marquette Dental School and Medical College of Wisconsin) not be subsumed into WTG and WHEG.

The Commission reaffirmed its plan to meet next on Wednesday, August 29 in order to discuss possible administrative changes to WHEG, to WTG, and also to the Wisconsin Covenant pending its scheduled sunset. The Commission will also discuss the Satisfactory Academic Progress (SAP) component of the various programs, and will be updated on the Talent Incentive Program (TIP) and the change sought to the administrative rules governing that program.