

DISCUSSION/ACTION
July 24, 2020

HIGHER EDUCATIONAL AIDS BOARD

BOARD REPORT #21-02

2021-2023 BIENNIAL BUDGET ISSUES

TECHNICAL COLLEGE SYSTEM



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July 9, 2020

Stephen Willett, Chair
Connie Hutchison, Executive Secretary
Higher Educational Aids Board
PO Box 7885
Madison, WI 53707-7885

Dear Board Chair Willett and Executive Secretary Hutchison:

On behalf of the Wisconsin Technical College System (WTCS) Board and students across the state, we request that the Higher Educational Aids Board (HEAB) seek additional grant funding for the WTCS Wisconsin Grant (WG). We urge HEAB to include this request as part of its 2021-23 biennial budget proposal submitted to the Wisconsin Department of Administration.

For the last two decades, the investment in the **largest higher education sector** in the state (WTCS) has lagged the other higher education sectors, while technical college students have nearly twice the financial need.

As the low cost, most flexible, higher education provider, the WTCS is the first choice for adult working students and/or those with the greatest financial challenges. Providing additional WTCS Wisconsin Grant funding would enable more students to acquire the essential skills Wisconsin needs to keep safe and restart our economy.

The WTCS Board realizes that HEAB, like all state agencies, will likely seek to exercise restraint in its 2021-23 biennial budget request. At the same time, we cannot ignore the financial needs of our students and the important role of WTCS graduates in improving the state's long-term economic health.

Therefore, to help close the gap in the Wisconsin Grant funding for technical college students, the WTCS Board respectfully requests that the HEAB 2021-23 budget request include the following:

- An increase of \$11.8 million GPR in each year of the biennium to increase the average WTCS Wisconsin Grant award to \$1,100 and to expand the pool of eligible students to those enrolled in at least 3 credit hours.

Thank you for considering our request and for your commitment to helping WTCS students. We hope this is helpful to your deliberations.

Sincerely,

Morna K. Foy, PhD
President
Wisconsin Technical College System

cc: Bryan Kirschbaum, DOA Budget Analyst

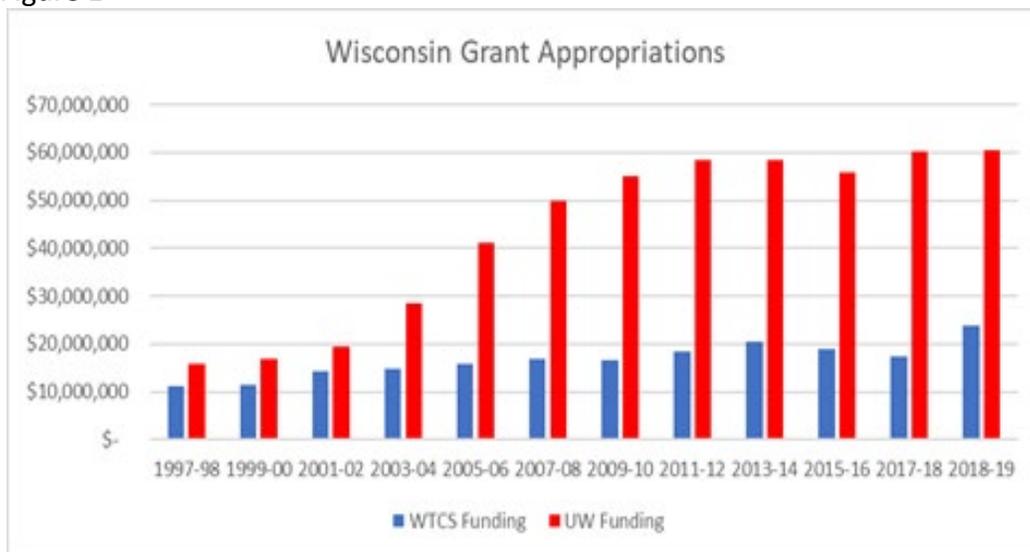
Issue: Wisconsin Grants - Technical Colleges

State investments in the Wisconsin Technical College System (WTCS) Wisconsin Grants supports students to earn credentials that benefit Wisconsin employers who need the essential workers the WTCS colleges produce. However, for two decades, the investment in the **largest higher education sector** in the state (WTCS) has lagged behind the other higher education sectors, while technical college students have nearly twice the financial need.

Background

Over the last 20 years, there has not been parity in the Wisconsin Grants state investment between the higher education sectors even though the average cost of attendance has increased at relatively the same rate and WTCS students have nearly twice the financial need. As shown in figure 1, in FY 1997-98, the WTCS and University of Wisconsin System (UWS) funding levels were much closer than they are today. The Wisconsin Grants funding for UWS has increased 283 percent from \$15.8 million to \$60.4 million. In comparison, the WTCS appropriation has barely doubled, increasing from \$11.2 million to \$23 million in the last two decades.

Figure 1



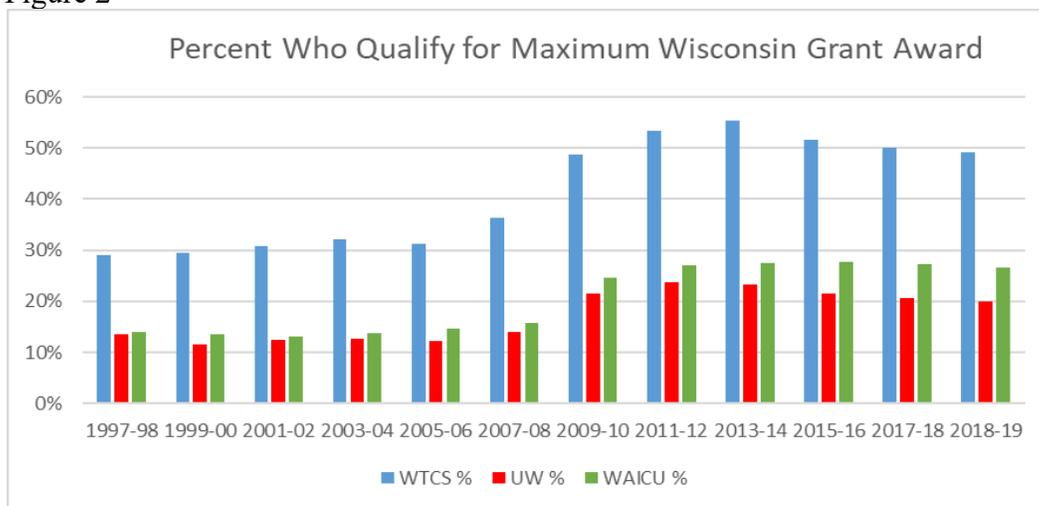
Technical colleges in Wisconsin provide training to many of today’s essential workers, including first responders such as police, fire, emergency medical technician, and paramedic, as well as health occupations including nurses, respiratory therapists, and radiological technology. Last year technical colleges trained over 64,000 first responders and nearly 42,000 health occupation students to meet strong employer demand and provide critical continuing education. In addition, The US Department of Homeland Security identified an extensive list of essential critical infrastructure workers which include farm workers, information technology

professionals and positions in manufacturing, all workers that are primarily educated by the WTCS.

As the low cost, most flexible, higher education provider, the WTCS is the first choice for adult working students and/or those with the greatest financial challenges. Providing additional WTCS Wisconsin Grants funding would enable more students to acquire the essential skills Wisconsin needs to keep safe and restart our economy. Students who are eligible for, but who do not receive Wisconsin Grants, may take fewer credits to spread out their educational costs thus slowing completion of their credential and delaying entry into the workforce.

Wisconsin Technical Colleges not only serve the most students in the state, but those with the highest need. Students who have the highest need are eligible for a maximum award for Wisconsin Grants. As shown in Figure 2, in FY 2018-19 nearly 50 percent of WTCS students are eligible to receive the maximum award, which is significantly higher than the students who enroll in the UWS and Wisconsin Association of Independent Colleges and Universities (WAICU).

Figure 2



Other contributing factors to the higher financial need for WTCS students is that they are typically independent and are returning to school to receive training to enter the workforce several years after high school. In 2018-19, the average age of a WTCS student who was enrolled in an associate degree or technical diploma was 27 years old. In that same year, 65 percent of WTCS students were identified as being independent, where UWS and WAICU students were 22 percent and 28 percent independent, respectively.

In addition to WTCS students being independent, they are also working and, in many cases, raising a family while pursuing a credential to advance their careers and increase their earning potential. To be eligible for a Wisconsin Grant, a student is required to be enrolled at least half-time (6 credit hours) and in a program to receive funding. In 2019, there were 3,058 students who were enrolled quarter-time (3 credit hours), were enrolled in a program and met the financial need to receive a Wisconsin Grant. Allowing students who are enrolled in less than half-time would provide students with identified need with much needed assistance to continue their education and complete a credential.

WTCS students do not typically enroll and cannot afford to attend college full-time. Under current statute, a Wisconsin Grant recipient can only receive funding for 10 semesters and cannot receive funding 6 years beyond the initial grant award. These eligibility requirements have unfairly discriminated against part-time students. They create an additional barrier for the vast majority of post-secondary students who attend part-time.

In 2020, 44.7 million students in the US have accumulated close to \$1.6 trillion in student loan debt. Students with significant financial need are more likely to borrow money and accumulate debt. According to the Student Borrower Protection Center, growing student debt causes lifetime financial challenges and those challenges disproportionately effect people of color. Wisconsin Grants are the primary state aid program designed to assist individuals to complete a post-secondary credential and limit the reliance on debt financing. Increasing Wisconsin Grant aid will help students graduate with less reliance on need for borrowing.

As Wisconsin is facing a historic economic downturn, there will be citizens of the state who are unable to return to their jobs and who need to receive education, training or retraining to support Wisconsin's workforce demands. These potential students who would fill essential positions may be discouraged from attending because of the shortage of WTCS Wisconsin Grants. With eight out of ten Wisconsin adults accessing Wisconsin Technical Colleges -- now, more than ever is an important time for the state to invest in Wisconsin's most valued workforce partner, the WTCS.

REQUEST:

An increase of \$11.8 million GPR in each year of the biennium to increase the average WTCS Wisconsin Grant award to \$1,100 and to expand the pool of eligible students to those enrolled in at least 3 credit hours.

Replace the 10 semester and six year caps with a maximum credit limit of 128 hours. This aligns with the Wisconsin GI Bill eligibility limit.

An increase of \$300,000 GPR in each year of the biennium for administrative support to the Higher Education Aids Board to make the necessary IT infrastructure updates to implement the proposed changes above.