

**STATE OF WISCONSIN
HIGHER EDUCATIONAL AIDS BOARD**

MEETING OF THE BOARD
AUGUST 29, 2024

HIGHER EDUCATIONAL AIDS BOARD

Mr. Robert Bode (Chair)

University of Wisconsin – River Falls
Univ. of Wisconsin System Administration
Financial Aid Representative
Phone: (715) 425-3141
robert.bode@uwrfl.edu
Term Ends: May 1, 2026

Ms. Pamela Lowrey

Gateway Technical College
Wisconsin Technical College System
Financial Aid Representative
Phone: (262) 564-2670
lowreyp@gtc.edu
Term Ends: May 1, 2026

Mr. Kyle Weatherly

University of Wisconsin System Administration
Board of Regents
Phone: (262) 951-7118
kyle.weatherly@gmail.com
Term Ends: May 1, 2026

Ms. Sanda Hyer

Wisconsin Technical College System
Student Representative
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hier33654@gotoltc.edu
Term Ends: May 1, 2026

Ms. Sydney Brennan

University of Wisconsin System Administration
Student Representative
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sydneylbrennan@gmail.com
Term Ends: May 1, 2026

Ms. Veronica Kaluta

Independent Colleges and Universities
Student Representative
Phone: (207) 691-7563
vkaluta16@gmail.com
Term Ends: May 1, 2025

Mr. Jeff Neubauer

Independent Colleges and Universities
Board Representative
Phone: (414) 870-2227
jeff.neubauer@career2cradle.org
Term ends: May 1, 2026

Ms. Susan Teerink (Vice Chair)

Independent Colleges and Universities
Financial Aid Representative
Phone: (414) 288-1583
susan.teerink@marquette.edu
Term ends: May 1, 2024

Ms. Jennifer Garrett

Assistant Deputy Secretary DSPS
Public-At-Large Representative
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Term Ends: May 1, 2027

Ms. Jennifer Kammerud

Senior Policy Advisor, Office of State Superintendent
Dept. of Public Instruction
Superintendent/Designee
Phone: (608) 266-7073
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Term Ends: Indefinite

Dr. Quincey Daniels Jr.(Secretary)

Wisconsin Technical College System
Board Representative
Phone: (608) 855-0216
professorqdaniels@gmail.com
Term ends: May 1, 2027

Ex-Officio Member

Dr. Russell Swagger

President, Lac Courte Oreilles Ojibwa University
Tribal Colleges
Phone: (715) 634-4790
rswagger@lco.edu



State of Wisconsin Higher Educational Aids Board

Tony Evers
Governor

P.O. Box 7885
Madison, WI 53707-7885

Telephone: (608) 267-2206
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E-Mail: HEABmail@wisconsin.gov

Web Page: <http://heab.wisconsin.gov>

HIGHER EDUCATIONAL AIDS BOARD Thursday, August 29, 2024; 11:00 am CALL: 608-571-2209 PASSCODE: #342 506 576

AGENDA

1. Call to Order
 - a. Introduction of Executive Secretary
 - b. Introduction of Board Members
2. Approval of the minutes April 19, 2024, meeting ACTION
3. Report of the Policy Advisor
4. Special Orders
 - a. Budget Recommendations ACTION
 - #25-01 UW Colleges
 - #25-02 Technical Colleges
 - #25-03 Private Non-Profit Colleges
 - b. Setting of 2024-25 meeting Dates ACTION
 - Friday, October 25, 2024
 - Friday, November 1, 2024
 - Friday, November 8, 2024

 - Friday, February 21, 2025
 - Friday, February 28, 2025

 - Friday, April 4, 2025
 - Friday, April 25, 2025

 - Friday, July 18, 2025
 - Friday, July 25, 2025
5. Old Business
 - a.
6. New Business
 - a.
7. Adjournment

**State of Wisconsin
Higher Educational Aids Board
Meeting Minutes
Friday, April 19, 2024**

HEAB Board Present: Susan Teerink, Robert Bode, Jeff Neubauer, Pamela Lowery, Dr. Quincey Daniels, Rosa Faustino, Jennifer Garrett, and Kyle Weatherly.

HEAB Staff Present: Sherrie Nelson, Joy Dyer, Jody Gennrich, Peter Zammuto, and Elizabeth Misel

Others Present: Rebecca Larson, Linh Anh Le, WAICU; Mark Levine, Nicole Johnson, Marquette; Todd Bailey, Mickie Krall, Kathy Devine, UW System; John Whitt, UW-Madison; Brandon Trujillo, WTCSYSTEM; Chris Caldwell, CMN.

Board Chair Robert Bode called the meeting to order at 9:03 am.

APPROVAL OF MINUTES

Chair Bode asked for a motion to approve the January 26, 2024, meeting minutes. Jeff Neubauer made the motion, seconded by Kyle Weatherly to approve the January 26, 2024, meeting minutes. Motion passed.

REPORT OF THE POLICY ADVISOR

Sherrie Nelson gave summary remarks on HEAB projects and discussed state legislation regarding the impact on HEAB.

PROGRAM REPORTS

#24-11 2022-23 WISSIS Report

Peter Zammuto gave summary remarks on the report.

#24-12 Status of 2023-24 Applicants and Programs

Sherrie Nelson gave summary remarks on the report.

OLD BUSINESS

Kyle Weatherly requested to speak to DOA compliance officer regarding HEAB Board responsibilities.

NEW BUSINESS

Chair Bode gave update on FAFSA cycle, future impacts on college enrollments, and a discussion on challenges and trends for higher education followed.

ADJOURNMENT

Chair Bode made a motion to adjourn, moved by Vice Chair Teerink, Pam Lowery seconded, all approved. The meeting adjourned at 10:10 am.

FUTURE MEETING

The next meeting of the Board is Friday, July 26, 2024.

Respectfully submitted,

Dr. Quincey Daniels, Secretary

ACTION
August 29, 2024

HIGHER EDUCATIONAL AIDS BOARD
BUDGET RECOMMENDATIONS #25-01
UW Colleges

August 23, 2024

Robert Bode, Chair
Tammie DeVooght Blaney, Executive Director
Higher Educational Aids Board
Via Electronic Mail

Dear Board Chair Bode and Executive Director DeVooght:

Enclosed with this letter please find a resolution adopted by the Board of Regents of the Universities of Wisconsin at their August 22-23, 2024, meeting. This resolution contains the recommendation for the Wisconsin Grant-UW program that the Board has requested be included in the Higher Educational Aids Board's (HEAB) 2025-27 biennial budget submission.

Total state funding for the Wisconsin Grant-UW program is \$61,894,100 annually. In the 2023-25 biennial budget, state funding for the Wisconsin Grant-UW program remained flat at the 2018-19 level. Since 2009-10 the number of students eligible for Wisconsin Grant-UW has increased from 25,624 in 2009-10 to 27,773 in 2022-23, an increase of 11 percent. To provide financial aid through the Wisconsin Grant to the growing population of eligible students, the Universities of Wisconsin had been unable to increase award amounts to individual recipients due to statutory restraints.

The FAFSA Simplification Act, as part of the federal Consolidated Appropriations Act, 2021, changes the Expected Family Contribution (EFC) generated on the Federal Application for Student Aid (FAFSA) to a Student Aid Index (SAI) starting in award year 2024-25. This change will result in an increase in the number of students with Wisconsin Grant eligibility.

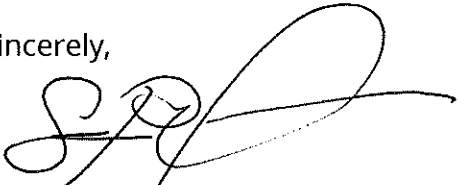
In addition, 2023 Wisconsin Act 80 removed the statutory cap on the maximum Wisconsin Grant, allowing the Universities of Wisconsin to increase awards to better accomplish its goal of funding 50 percent of the average cost of tuition and fees at the comprehensive universities.

The Universities of Wisconsin seek an additional \$13,500,000 ongoing funding in 2025-26 to recognize the federal legislation that will result in more students being eligible for the Wisconsin Grant and to allow for a maximum award amount of at least 50 percent of the average cost of tuition and fees at the comprehensive universities for all eligible students.

The requested 2025-27 funding for the Wisconsin Grant program will help more students access and complete a quality higher education program, producing a more highly skilled and educated workforce. Additional resources for the Wisconsin Grant program will also help address student debt and affordability, two areas of growing concern to the citizens of Wisconsin.

Thank you for considering this proposal for inclusion in HEAB's 2025-27 biennial budget request. If you have any questions regarding this request, please do not hesitate to contact my office.

Sincerely,

A handwritten signature in black ink, appearing to read 'SPN', with a large, sweeping flourish extending to the right.

Sean P. Nelson, Vice President
Division of Finance and Administration
Universities of Wisconsin Administration

Thursday, August 22, 2024

APPROVAL OF THE 2025-27 UNIVERSITIES OF WISCONSIN BIENNIAL OPERATING BUDGET AND FINANCIAL AID REQUEST

REQUESTED ACTION

Adoption of Resolution K. Approval of the 2025-27 Biennial Budget and Financial Aid Request

Resolution K. That, upon the recommendation of the President of the Universities of Wisconsin, the Board of Regents approves the submission of:

- (1) the Board's 2025-27 Biennial Operating Budget request, totaling \$457,279,000 in ongoing funds and \$855,143,000 biennially in General Purpose Revenue (GPR) for key initiatives;
- (2) the Wisconsin Veterinary Diagnostic Lab's request for additional positions and equity salary adjustments totaling approximately \$785,800 in ongoing funds and \$1,571,600 biennially;
- (3) the Wisconsin Grant-UW request to the Higher Educational Aids Board for inclusion in its 2025-27 biennial budget request totaling \$13,500,000 in ongoing funds and \$27,500,000 biennially; and
- (4) statutorily required performance measures for 2023-25.

In addition, the Board of Regents delegates authority to the UW President to approve and submit a 0% and 5% biennial budget reduction plan, as required by 2015 WI Act 201, and standard budget adjustments for items such as fringe benefits should it be determined they are necessary.

SUMMARY

The UW System Board of Regents is required to submit a budget request to the Department of Administration (DOA) by September 15 of each even numbered year. The UW President provides the Regents, for their consideration, a recommended submission at the August meeting in the same even numbered year.

The 2025-27 biennial budget request includes General Purpose Revenue (GPR) to get the Universities of Wisconsin up to the middle of national public funding support for its four-year universities. The latest State Higher Education Executive Officers Association (SHEEO)

analysis of public higher education financing, reflecting both state support and tuition, shows that Wisconsin currently ranks 43rd out of 50 states in public funding to support its four-year universities. It is estimated that an ongoing \$457 million is needed to move Wisconsin up to the middle.

To reduce the reliance on tuition and remain committed to affordable higher education in the State of Wisconsin, this budget request, if enacted, would allow the Universities of Wisconsin to keep resident undergraduate tuition flat throughout for the 2025-26 and 2026-27 academic years. The majority of additional positions requested in this budget are student-facing, in support of the Universities of Wisconsin's strategic plan.

The request includes funding for standard budget adjustments and initiatives that support increasing affordability, preserving accessibility, developing talent, ensuring quality, and investing in innovation. The request also includes items for the Wisconsin Veterinary Diagnostic Laboratory (WVDL) which requires Board approval as it is administratively attached to UW-Madison. Lastly, the budget includes forwarding a request to the state's Higher Educational Aids Board (HEAB) to increase Wisconsin Grant funding to recognize federal legislation that will result in more students being eligible for the grant and to allow for a maximum award to increase up to approximately 50% of the average tuition and fees at a UW comprehensive university.

Presenter

- Sean P. Nelson, Vice President for Finance and Administration

Related Policies

- Chapter 16.42, Wis. Stats.
- Chapter 36, Wis. Stats.
- Chapter 230, Wis. Stats.
- Regent Policy Document 20-21, University Personnel Systems

ATTACHMENTS

- A) The University of Wisconsin System, "2025-27 Universities of Wisconsin Biennial Operating Budget and Financial Aid Request, August 2024"

ACTION
August 29, 2024

HIGHER EDUCATIONAL AIDS BOARD
BUDGET RECOMMENDATIONS #25-02
Technical Colleges



Dr. Morna K. Foy, President
Hill Farms State Office Building
4822 Madison Yards Way | North Tower, 5th Floor
P.O. Box 7874
Madison, WI 53707-7874
608.266.1207 | Wisconsin Relay System: 711
info@wtcsystem.edu | www.WTCSystem.edu

August 22, 2024

Robert Bode, Chair
Tammie DeVooght, Executive Secretary
Higher Educational Aids Board
PO Box 7885
Madison, WI 53707-7885

Dear Chair Bode and Executive Secretary Tammie DeVooght,

On behalf of the Wisconsin Technical College System (WTCS) Board and students across the state, we request the Higher Educational Aids Board (HEAB) seek additional grant funding for the WTCS Wisconsin Grant Program. We urge HEAB to include this request as part of its 2025-27 biennial budget proposal submitted to the Wisconsin Department of Administration.

The Wisconsin Grant program, the state's largest needs-based financial aid initiative, is crucial for helping students pursue higher education and improve their career prospects. In the 2023-24 fiscal year, the Wisconsin Grant program for WTCS students faced its first waiting list in over a decade. In addition to the waitlist, all funding for the 2023-24 Academic year was expended and \$3 million was borrowed from the next fiscal year to cover the committed awards. The shortfall and waitlist are based on the increased financial needs of WTCS students, leading to larger grant awards and a projected larger waitlist for the 2024-25 fiscal year due to changes in the federal financial need formula.

The WTCS Board realizes that HEAB, like all state agencies, will likely seek to exercise restraint in its 2025-27 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 address the immediate need for additional student financial aid resources, the WTCS Board respectfully asks that the HEAB 2025-27 budget request include the following:

\$10.8 million in each year of the biennium to meet the projected waitlist of students and to meet the increase in award amounts based on the rising financial need of WTCS students.

Thank you for considering our request and for your commitment to helping WTCS students.

Sincerely,

A handwritten signature in black ink, appearing to read "Morna K. Foy".

Dr. Morna K. Foy,
President
Wisconsin Technical College System

Issue: Wisconsin Grants - Technical Colleges – Meeting the Need of Wisconsin Technical College Students

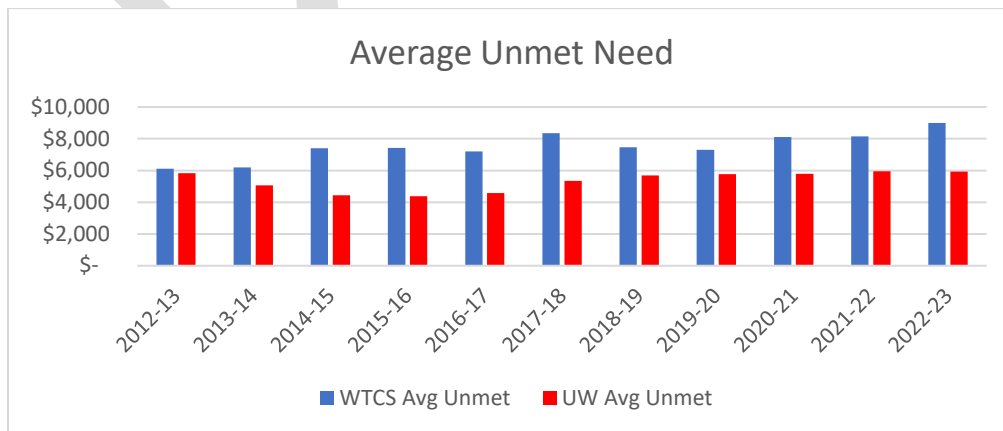
Wisconsin Grants, the state’s largest needs-based financial aid program, provides students with the necessary assistance to pursue a higher education credential with the objective of entering or improving their career in the workforce. During the 2023-24 Fiscal Year (FY), the Wisconsin Technical College System (WTCS) experienced the first waiting list in over ten years and is projecting a larger waitlist for the 2024-25 FY due to an increase in student need.

Background

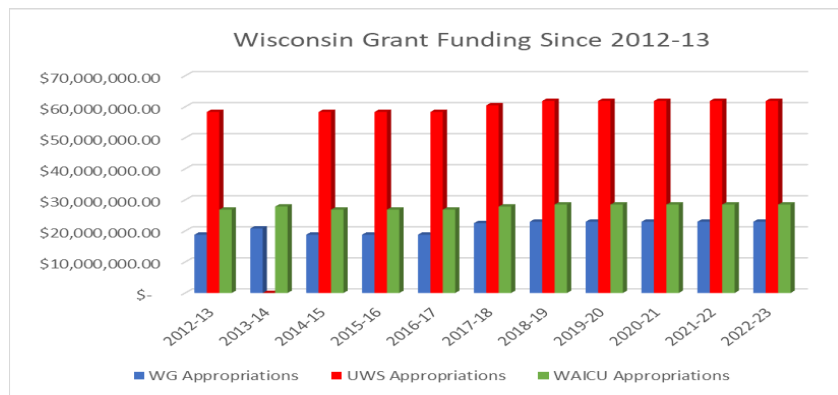
For the most recent FY, the Higher Educational Aids Board (HEAB), the state agency responsible for administering financial aid, determined WTCS expended all the appropriated funds for FY 2023-24, used \$3 million from the next FY to cover all student committed awards and had a waitlist of 3,200 students. Students who received a grant during the academic year had a higher calculated need than in previous FYs, which resulted in more students receiving larger grant award amounts. Put simply, WTCS student financial needs have and will continue to increase.

In addition to the current waitlist, WTCS is projecting the waitlist to grow significantly in FY 2024-25 due to changes in the federal formula for determining a student’s financial need. WTCS projects an increase of \$4.4 million will be needed to cover increased award amounts for current students and new awards for students who will become eligible as a result of using the new federal methodology.

WTCS, Wisconsin’s largest higher education system, provides education and training to non-traditional and an underserved student population that has higher financial need than the other higher education sectors in the state. As shown in the chart below, a WTCS student has a higher unmet need as compared to the average unmet need of a UW student.

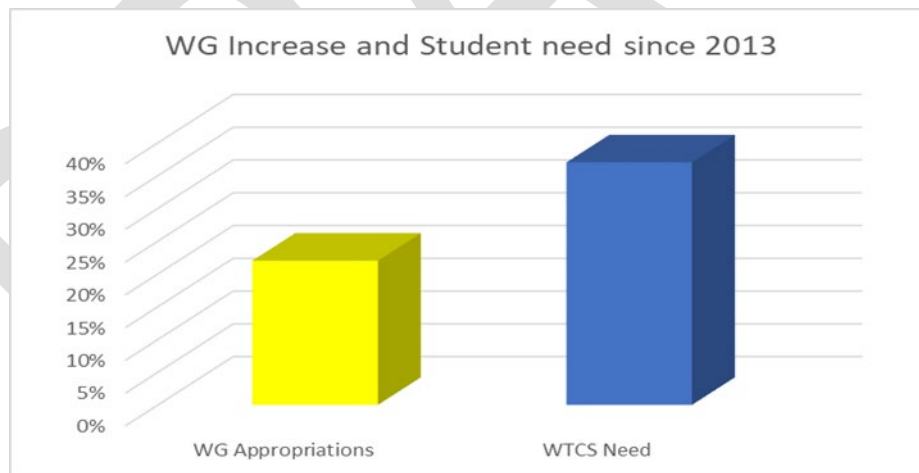


Over that same period of time, the Wisconsin Grants appropriation for all three major higher education sectors in the state received only one increase in continuing funding for the program. WTCS received an increase from \$18.8 million to \$23 million (22% as shown below) in fiscal year 2017-18.

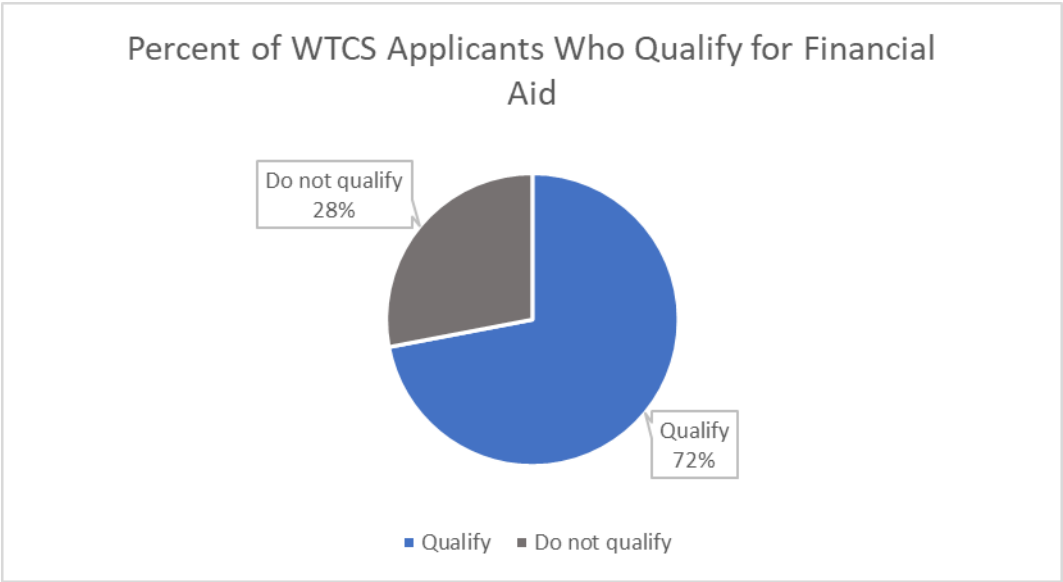


Note: UWS received \$0 in fiscal year 2013-14

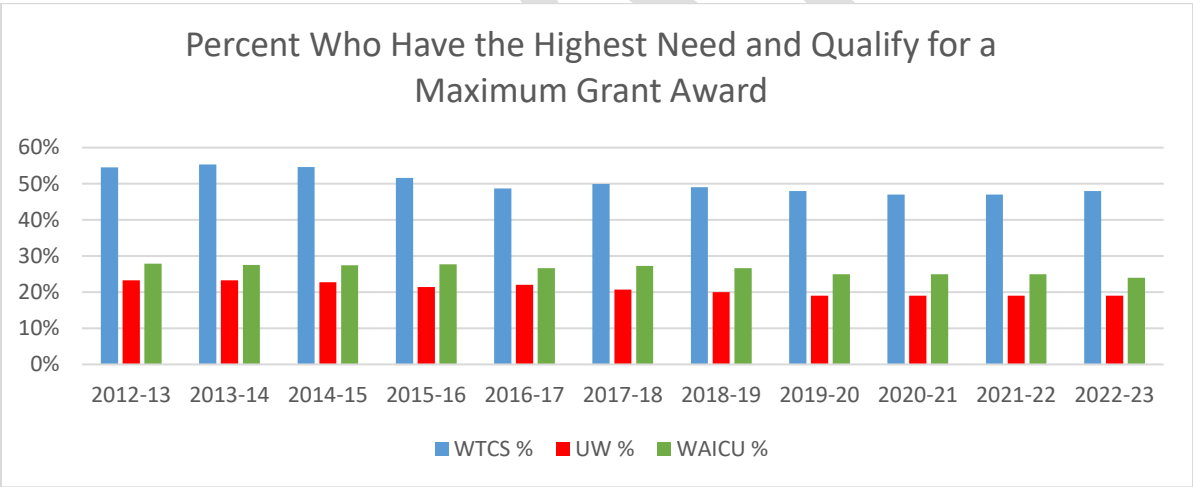
While the unmet need continues to rise, state investments in Wisconsin Grants has not kept up with the rising costs for students. Between 2012-13 and 2022-23, the average WTCS student financial need increased from \$10,400 to \$15,500, an increase of 37%, which outpaces the one-time increase received over the last ten years as shown in the chart below. As WTCS enrollments continue to increase, student need has also increased significantly, which is the determining factor for why WTCS has expended all Wisconsin Grants funding in the most recent academic year.



WTCS student need is not limited to those who have the highest need or qualify for a maximum grant award. As shown in the chart on the following page, 72% of the 58,000 students who applied for financial aid qualify for a Wisconsin Grant.



Historically, WTCS students have had the highest need compared to the other major higher education sectors in the state. As outlined in the graph below, close to 50% of WTCS students who apply for financial aid are identified as having the highest financial need and qualify for the maximum award. This means 28,000 out of the 58,000 individuals who completed a FAFSA and selected a technical college as their first choice would have \$0 to contribute to their college education.



It is imperative the state continues to invest in WTCS students to ensure WTCS has the ability to provide quality education and training to all who are willing and able to gain a credential so they may enter the workforce.

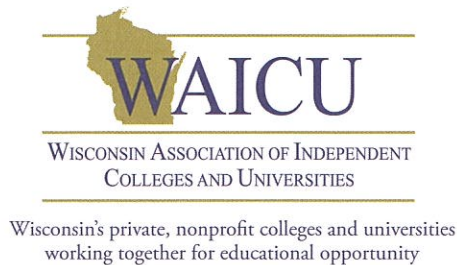
Request

\$10.8 million in each year of the biennium to meet the projected waitlist of students and to meet the increase in award amounts based on the rising financial need of WTCS students.

ACTION
August 29, 2024

HIGHER EDUCATIONAL AIDS BOARD
BUDGET RECOMMENDATIONS #25-03
Private Non-Private Colleges

Alverno College
Bellin College
Beloit College
Carroll University
Carthage College
Concordia University Wisconsin
Edgewood College
Herzing University
Lakeland University
Lawrence University
Marian University



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

August 22, 2024

Tammie DeVooght, Executive Secretary
Higher Education Aids Board (HEAB)
4822 Madison Yards Way
Seventh floor
Madison, WI 53705

Dear Executive Secretary DeVooght,

Thank you for considering the Wisconsin Association of Independent Colleges and Universities' (WAICU) recommendation for the Wisconsin Grants 2025-27 biennial budget. **Wisconsin has significantly fallen behind other regional states in grant funding for students attending private, nonprofit colleges and universities. To remain competitive in attracting and retaining talent for Wisconsin, WAICU recommends doubling the current Wisconsin Grant appropriation to \$114 million for our sector over the biennium.**

Currently, the Wisconsin Grant biennial appropriation for students attending private, nonprofit institutions of \$57 million constitutes less than 2 percent of all state funding for higher education. This is insufficient when compared to neighboring states, which offer more substantial support to students with financial need. Increasing the Wisconsin Grant appropriation is critical to providing necessary financial aid and ensuring that Wisconsin remains competitive by incentivizing students to stay in Wisconsin.

During the COVID pandemic, many low-income students dropped out or did not apply to college, further exacerbating workforce shortages. Unfortunately, the rollout of the FAFSA for the upcoming academic year was disastrous, making the 2024-25 academic year even worse than COVID for low-income students. To combat this, we must enhance our financial aid programs to help students enroll and persist in their degree attainment. According to the Georgetown University Center on Education and the Workforce, of all jobs available in Wisconsin in 2031, nearly 70 percent (over 2 million positions) will require postsecondary education and training.¹

The Wisconsin Legislature recently enacted changes to the Wisconsin Grant formula for private, nonprofit students that aim to:

- Simplify the financial aid application process
- Increase transparency for students and families regarding their financial aid awards

- Create a more efficient distribution methodology
- Better address the needs of today's changing student population

Wisconsin Grants are a cost-effective way to expand educational opportunity, ensuring that low-income and low-middle income students can attend college and graduate with manageable debt levels. WAICU members, which do not receive direct taxpayer support, contribute significantly to the state's economy and workforce, annually producing 24 percent of undergraduate degrees and 34 percent of graduate degrees in Wisconsin.

Modernizing the grant formula was an important step in increasing the effectiveness of the Wisconsin Grant. Increasing the appropriation is an essential next step to keep Wisconsin competitive and to effectively support Wisconsin students.

Sincerely,



Eric W. Fulcomer, PhD
President

cc: WAICU Presidents
WAICU Financial Aid Officers
Sherrie Nelson, HEAB

ⁱ Georgetown University Center on Education and the Workforce, *Projections of Jobs, Education, and Training Requirements through 2031 State Report*