HIGHER EDUCATIONAL AIDS BOARD

Budget Summary

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<td>GPR</td>
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<td>$151,939,700</td>
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<td>TOTAL</td>
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<td>$148,685,300</td>
<td>$153,806,500</td>
<td>$11,920,600</td>
<td>4.1%</td>
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FTE Position Summary

Budget Change Items

1. **STANDARD BUDGET ADJUSTMENTS**

   **Governor:** Modify the base budget by $49,200 annually for full funding of continuing position salaries and fringe benefits and -$10,800 in 2019-20 and -$8,800 in 2020-21 for lease and directed moves costs.

2. **WISCONSIN GRANTS -- UW SYSTEM STUDENTS**

   **Governor:** Increase funding for Wisconsin Grants for UW System students by $3,094,800 in 2019-20 and $6,344,200 in 2020-21, which would increase program funding by 5% in 2019-20 and an additional 5% in 2020-21. Annual base level funding for this program is $61,894,100.

3. **WISCONSIN GRANTS -- PRIVATE, NONPROFIT COLLEGE STUDENTS**

   **Governor:** Increase funding for Wisconsin Grants for private, nonprofit college students by $1,425,300 in 2019-20 and $2,921,800 in 2020-21, which would increase funding by 5% in 2019-20 and an additional 5% in 2020-21. Annual base level funding for this program is $28,504,600.

4. **WISCONSIN GRANTS -- TECHNICAL COLLEGE STUDENTS**

   **Governor:** Increase funding for Wisconsin Grants for technical college students by $1,148,600 in 2018-19 and $2,354,600 in 2020-21, which would increase funding by 5% in 2019-20 and an additional 5% in 2020-21. Annual base level funding for this program is $22,971,700.

GPR $78,800

GPR $9,439,000

GPR $4,347,100

GPR $3,503,200
5. **WISCONSIN GRANTS -- TRIBAL COLLEGES**

   **Governor:** Increase funding for Wisconsin Grants for Tribal College students by $24,100 in 2019-20 and $49,400 in 2020-21, which would increase program funding by 5% in 2019-20 and an additional 5% in 2020-21. Annual base level funding for the program is $481,800.

6. **WISCONSIN COVENANT GRANTS**

   **Governor:** Reduce funding by $2,072,000 in 2019-20 and $2,930,000 in 2020-21 to reflect the decreasing number of students eligible for the Wisconsin Covenant Grant program. Annual base level funding is $2,930,000.

   The Wisconsin Covenant Grant program provides grants to students who have been designated as Wisconsin covenant scholars and who are enrolled in UW institutions, technical colleges, private, nonprofit colleges and universities, and tribal colleges located in Wisconsin. To be designated as a Wisconsin covenant scholar, a student must have signed the Wisconsin covenant pledge as an eighth grader and fulfilled the pledge by his or her senior year of high school. Under 2011 Act 32, no student may sign the eighth grade Wisconsin covenant pledge after September 30, 2011. The grant program is scheduled to end in 2020-21 when no students will be eligible for grants through the program.

7. **WISCONSIN GRANT FORMULAS**

   **Governor:** Specify that, if the Higher Educational Aids Board determines during a fiscal year that any formula used to award Wisconsin grants needs to be modified during the fiscal year in order to expend the entire amount appropriated for those grants, the Board may implement the modified formula.

   Under the provisions of 2017 Act 59, if HEAB determines during a fiscal year that any formula used to award Wisconsin Grants needs to be modified during the fiscal year in order to expend the entire amount appropriated for those grants, the Board is required to submit the modified formula to the Joint Committee on Finance for approval through a 14-day passive review process. The bill would remove the Joint Finance review and approval requirements and allow HEAB to implement the modified formula.

   [Bill Section: 387]

8. **MINORITY TEACHER LOAN PROGRAM**

   **Governor:** Delete $259,500 annually and prohibit HEAB from making loans under the minority teacher loan program after the effective date of the bill. Specify that this prohibition would first apply to loan applications received by HEAB on the effective date of the bill. Require HEAB to administer the repayment and forgiveness of loans made under the program on or before the effective date of the bill. [A minority teacher grant program would be created under DPI -- see "Public Instruction -- Categorical Aids".] While the appropriation language would remain under
the bill, no funding would be provided.

[Bill Sections: 389 and 9320(1)]

9. **SUPPLEMENTAL TALENT INCENTIVE GRANTS**

**Governor:** Specify that, before the end of a fiscal biennium, HEAB could make supplemental talent incentive grants to students to whom the Board has awarded talent incentive grants in that fiscal biennium, but only if HEAB determines that, after the Board makes all of the initial grants in that fiscal biennium, moneys remain available. In addition, clarify that the $1,800 per academic year limit on talent incentive grants does not apply to supplemental talent incentive grants.

The Talent Incentive 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. Current law limits TIP grants to a maximum of $1,800 per academic year. Only students who receive TIP awards as freshmen are eligible to receive awards as upperclassmen. Students may receive TIP awards for up to 10 semesters within the first six years after the initial grant was awarded.

[Bill Sections: 390 and 391]

10. **STUDENT LOAN REFINANCING STUDY COMMITTEE**

**Governor:** Create the Student Loan Refinancing Study Committee to study the creation and administration of a bonding authority for the refinancing of student loans in Wisconsin in order to ease the burden of student loan debt for Wisconsin residents. Specify that the Committee would consist of the following members: (a) the Secretary of the Department of Financial Institutions; (b) the State Treasurer; and (c) the Executive Secretary of the Higher Educational Aids Board. Require the Committee to, no later than October 1, 2020, submit to the Governor and the Legislature, a report that includes the following: (1) recommendations regarding the corporate and legal structure of the refinancing entity, including governance; (2) a profile of the loan portfolio, projected start-up and operational costs, estimated staffing needs, underwriting requirements, and other information pertinent to the creation of a refinancing entity that can offer interest rate savings to student loan debtors in Wisconsin; and (3) an assessment of the feasibility of and options for offering protections to borrowers refinancing student debt through the refinancing entity that are similar to the protections under federal student loan programs. Provide that the Committee terminates upon the submission of the report. In addition, specify that the Department of Financial Institutions would be required to pay the administrative expenses of the Committee, not to exceed $50,000.

[Bill Section: 9151(1)]
11. REFERENCES TO INDIVIDUALS WITH DISABILITIES

Governor: Replace references to "handicapped" individuals with "impaired" individuals in sections of the statutes administered by HEAB.

[Bill Sections: 136, 388, and 392]