



WISCONSIN LEGISLATIVE COUNCIL STAFF MEMORANDUM

Memo No. 1

TO: MEMBERS OF THE SPECIAL COMMITTEE ON REVIEW OF HIGHER EDUCATION
FINANCIAL AID PROGRAMS

FROM: Dan Schmidt, Senior Analyst, and Scott Grosz, Staff Attorney

RE: Wisconsin Statutes Relating to Financial Aid for Higher Education

DATE: August 3, 2010

Wisconsin Statutes provide numerous forms of financial aid for higher education, including grant programs, loan programs, scholarships, and tuition reciprocity agreements. Administration of financial aid programs spans several state entities, including the University of Wisconsin (UW) System, the Office of the Wisconsin Covenant, and, most prominently, the Higher Educational Aids Board (HEAB). This Memo describes selected programs relating to financial aid for higher education, including a brief description of the eligible recipients and the size of awards available under each program.

Generally, a student must satisfy certain requirements in order to qualify for any of Wisconsin State Financial Aid programs. With certain exceptions, a student must:

1. Qualify as a resident of the State of Wisconsin.
2. Possess a high school diploma, general education degree (GED), or equivalent.
3. Enroll in an undergraduate degree or certificate program.
4. Attend a nonprofit college or university located in Wisconsin.

GRANT PROGRAMS

Wisconsin Covenant Scholars Grants -- Section 39.437, Stats.

The **Wisconsin Covenant Scholars** program provides grants to students for up to 10 semesters of undergraduate education provided they meet acceptable academic standards as prescribed by their higher education institution.

For 2010, Wisconsin Covenant Scholars grants ranged from \$250 to \$1,500, depending on the average family income of the applicant. Additional foundation grants were awarded to certain applicants with average family incomes of less than \$25,000.

Lawton Undergraduate Minority Retention Grants -- Section 36.34, Stats.

The **Lawton Undergraduate Minority Retention Grant** program is administered by the UW and is available to minority undergraduates enrolled in the UW System. It is available to American citizens or permanent residents eligible for financial aid and who demonstrate financial need. Students must be Wisconsin or Minnesota residents holding tuition reciprocity and be members of a statutorily underrepresented group (African American, Hispanic, American Indian/Alaskan Native, or Southeast Asian students of Vietnamese, Cambodian, Laotian, or Hmong descent) who entered the United States after December 31, 1975. The maximum grant award is \$2,500 per year.

Talent Incentive Program Grants -- Section 39.435 (2), Stats.

The **Talent Incentive Program (TIP) Grant** program provides grants of \$250 to \$1,800 to the most financially needy and educationally disadvantaged resident students attending colleges and universities in the state. First-time freshmen students are nominated for the TIP Grant by the school financial aid offices or by counselors of the Wisconsin Educational Opportunities program. To continue to receive the TIP Grant, students must be enrolled for consecutive terms and continue to show financial need. Eligibility cannot exceed 10 semesters.

Wisconsin Higher Education Grants -- Section 39.435, Stats.

The **Wisconsin Higher Education Grant** program provides grants to undergraduate residents enrolled at least half-time in degree or certificate programs at UW System, Wisconsin Technical College System (WTCS), and tribal institutions. Awards are based on financial need and range from \$250 to \$3,000 per year. Eligibility cannot exceed 10 semesters.

Wisconsin Tuition Grants -- Section 39.30, Stats.

The **Wisconsin Tuition Grant** program provides grants to undergraduate residents enrolled at least half-time in degree or certificate programs at nonprofit, independent colleges or universities in Wisconsin. Awards are based on financial need and amounts are partially calculated based on the portion of tuition in excess of UW-Madison tuition. Eligibility cannot exceed 10 semesters.

Hearing and Visually Handicapped Student Grants -- Section 39.435 (5), Stats.

The **Hearing and Visually Handicapped Student Grant** program provides funding for residents enrolled at least half-time at an in-state or eligible out-of-state public or independent institution, show financial need, and have a severe or profound hearing or visual impairment. Students are eligible to receive from \$250 to \$1,800 per year for up to 10 semesters.

Indian Student Assistance Grants -- Section 39.38, Stats.

The **Indian Student Assistance Grant** program provides grants of \$250 to \$1,100 to residents who are at least 25% Native American and are enrolled in degree or certificate programs at UW System,

WTCS, independent colleges and universities, or for-profit educational institutions in Wisconsin. Awards are based on financial need with a limit of 10 semesters of eligibility.

Minority Undergraduate Retention Grants -- Section 39.44, Stats.

The **Minority Undergraduate Retention Grant** program provides grants from \$250 to \$2,500 to resident minority undergraduates, excluding first-year students, enrolled at least half-time in independent, WTCS, or tribal institutions. "Minority student" includes a student who is an African American; American Indian; Hispanic; or Southeast Asian from Laos, Cambodia, or Vietnam. Awards are based on financial need and eligibility is limited to eight semesters or 12 quarters.

LOAN PROGRAMS

Minority Teacher Loans -- Section 39.40, Stats.

The **Minority Teacher Loan** program provides loans to resident minority undergraduate juniors or seniors who are enrolled full-time in programs leading to teacher licensure at an independent or UW System institution. Loans range from \$250 to \$2,500 per year, with an overall maximum of \$5,000. A minority student is either an African American; American Indian; Hispanic; or Southeast Asian from Laos, Cambodia, or Vietnam. The recipient must agree to teach in a Wisconsin school district with at least 29% minority enrollment or a district participating in the inter-district pupil transfer (Chapter 220) program. For each year of such teaching, 25% of the loan is forgiven. If the student does not teach in an eligible district, the loan must be repaid at an interest rate of 5%.

Nursing Student Loans -- Section 39.393, Stats.

The **Nursing Student Loan** program provides loans to residents who are enrolled at an eligible in-state institution that prepares them to be licensed as either registered nurses (RNs) or licensed practical nurses (LPNs) or to work as a nurse educator. The maximum annual award is \$3,000 with an overall maximum of \$15,000. For each of the first two years the recipient works as a nurse or nurse educator, 25% of the loan is forgiven. The balance remaining after forgiveness must be repaid at an interest rate not to exceed 5%. If the recipient does not work as a nurse or a nurse educator, the loan must be repaid at an interest rate not to exceed 5%.

Teacher Education Loans -- Section 39.395, Stats.

The **Teacher Education Loan** program provides loans to residents enrolled in the teacher education programs at the Milwaukee Teacher Education Center. The loan amount ranges from \$250 to \$3,500 per year. A recipient must agree to teach in the Milwaukee Public Schools (MPS). For each year of teaching, 50% of the loan is forgiven. If the student does not teach in MPS, the loan must be repaid at an interest rate of 5%.

Teacher of the Visually Impaired Loans -- Section 39.398, Stats.

The **Teacher of the Visually Impaired Loan** program provides loans to residents enrolled in a program that prepares them to be licensed as teachers of the visually impaired or as orientation and mobility instructors. The maximum award per year is \$10,000 with an overall maximum of \$40,000. A recipient must agree to work as a licensed teacher or an orientation or mobility instructor in Wisconsin.

For each of the first two years the student teaches and meets certain eligibility criteria, 25% of the loan is forgiven. For the third year, 50% is forgiven. If the student does not teach and meet the eligibility criteria, the loan must be repaid at an interest rate of 5%.

SCHOLARSHIPS AND OTHER PROGRAMS

Academic Excellence Higher Education Scholarships -- Section 39.41, Stats.

The **Academic Excellence Scholarship** program provides scholarships to the seniors with the highest grade point average (GPA) from each high school in Wisconsin that enroll in a public or private institution of higher education in the state. Referred to as “scholars,” the number of students that may receive these scholarships from each high school is based on the number of students in each respective high school as follows:

1. For each high school with an enrollment of at least 80 pupils but less than 500 pupils, the senior with the highest grade point average in all subjects as a scholar.
2. For each high school with an enrollment of at least 500 pupils but less than 1,000 pupils, the 2 seniors with the 2 highest grade point averages in all subjects as scholars.
3. For each high school with an enrollment of at least 1,000 pupils but less than 1,500 pupils, the 3 seniors with the 3 highest grade point averages in all subjects as scholars.
4. For each high school with an enrollment of at least 1,500 pupils but less than 2,000 pupils, the 4 seniors with the 4 highest grade point averages in all subjects as scholars.
5. For each high school with an enrollment of 2,000 or more pupils, the 5 seniors with the 5 highest grade point averages in all subjects as scholars.
6. For each high school with an enrollment of 2,500 or more pupils, the 6 seniors with the 6 highest grade point averages in all subjects as scholars.

[See s. 39.41, Stats.]

In addition, scholarships may be awarded to the senior with the highest GPA from the school operated by the Wisconsin Center for the Blind and Visually Impaired and the school operated by the Wisconsin Educational Services Program for the Deaf and Hard of Hearing.

Also, not more than 10 scholarships statewide may be awarded to seniors with the highest GPA from high schools enrolling less than 80 pupils.

If a scholar under this program declines a scholarship, the high school must designate as alternate scholars any seniors with the same GPA as the scholar. If there is no other student with the same GPA, the school must designate a scholar from any of the remaining seniors with the next highest GPA of not less than 3.8.

If a student is awarded a scholarship and is enrolled full-time in a participating institution (UW System, WTCS, or independent institution in Wisconsin of higher education), and maintains a GPA of at least 3.000, the student is eligible for a scholarship in the subsequent year. If a student does not enroll in a participating institution of higher education in the subsequent year, the student is eligible for the scholarship in the second year following the year in which they previously received the scholarship.

The value of the Academic Excellence Higher Education Scholarship is currently \$2,250 per year, not to exceed four years. Half of this amount is funded by the state, and the other half is matched by the institution of higher education.

Wisconsin/Minnesota Tuition Reciprocity Agreement -- Section 39.47, Stats.

The **Wisconsin/Minnesota Tuition Reciprocity Agreement** (the Agreement) establishes a reciprocal fee structure residents of either Wisconsin or Minnesota who are enrolled in public institutions of higher education in either state. The reciprocal fee may not exceed the higher of the resident tuition that would be charged to a student at comparable institutions located in his or her state of residence. In addition, the agreement provides for the waiver of nonresident tuition for a resident of either state who is enrolled in a public vocational school located in the other state.

The intent of the Agreement is to ensure that neither state profits at the expense of the other in respect to higher education revenues. For each academic year, HEAB prepares an administrative memorandum, in cooperation with the Minnesota Office of Higher Education, establishing the policies and procedures regarding the reciprocity agreement and the reciprocal fee structure, which is then submitted to the Joint Committee on Finance for passive review. At the end of each academic term, each state determines the number of students who have received a nonresident tuition waiver. The state with the larger reimbursement obligation is then responsible for paying the difference between the obligation and the smaller obligation incurred by the other state.

Professional programs such as Doctor of Medicine, Doctor of Dentistry, or Doctor of Veterinary Medicine are not eligible for tuition reciprocity under the program.

As of the 2008 academic year, there were 14,034 Minnesota residents attending institutions of higher education in Wisconsin, and 10,690 Wisconsin residents attending higher education institutions in Minnesota.¹

Health Professions Loan Assistance -- Sections 36.60 and 36.61, Stats.

Administered by the Wisconsin Office of Rural Health, the **Wisconsin Health Professions Loan Assistance** program provides loan repayment assistance to health and dental professionals who agree to work in rural and underserved communities. Generally, physicians and dentists are eligible for up to \$50,000 in repayment assistance. Other health and dental professionals (physician assistants, nurse practitioners, certified nurse midwives, and dental hygienists) are eligible for up to \$25,000 in repayment assistance. Following 2009 Wisconsin Act 190, a physician who agrees to work in a qualifying rural area is eligible for up to \$100,000 in repayment assistance. Under the program,

¹ Enrollment data was provided by the Minnesota Office of Higher Education.

repayment assistance is payable over three years of qualifying service, with 40% of the repayment award provided in each of the first two years and 20% of the repayment award provided in the third year.

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