

BOARD REPORT #11-01

HEAB TASK FORCE EXAMINING THE DISTRIBUTION OF FUNDS for the

WISCONSIN HIGHER EDUCATION GRANT AND WISCONSIN TUITION GRANT

Task Force Members

HEA Board Members

Jeff Bartell, UW Board of Regents

Jim Palmer, Public at Large

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WTCS - Financial Aid Directors

Mary Jo Green, Mid-State Tech

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Private and Independent Colleges and Universities Financial Aid Directors

Steve Midthun, MSOE

Dan Goyette, Alverno

Susan Teerink, Marquette University

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Paul Nelson

Karin Wells

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Dennis Rhodes, DOA

Emily Pope, LFB

PURPOSE OF TASK FORCE

During the HEAB meeting in August, 2009 the Board directed Chair Mary Jo Green and Executive Secretary Hutchison to form a task force for the following purpose:

Investigate the current distribution of WHEG and TG funds to determine if changes are needed to better serve Wisconsin students.

TASK FORCE WORK AND DISCUSSION

Ann Zanzig of AZ Consultants, LLC was hired to facilitate the work of the Task Force. The Task Force met as a group in December and May, and Task Force members held meetings and discussions within their own sectors between group meetings. The Task Force acknowledged the important role HEAB has in:

- 1) maintaining public accountability for state funds;
- 2) advocating for student financial aid (from an independent, non-partisan perspective, regardless of which public or not-for-profit private school attending);
- 3) assuring consistency of student eligibility between sectors; and
- 4) providing state-wide data collection and reporting functions

The predominating theme was the need to increase funding for the Tuition Grant and the Wisconsin Higher Education Grant. Each sector has its own legislated appropriation and there was agreement that student financial need in all sectors has outpaced available funds.

SWOT: (Strengths, Weaknesses, Opportunities, Threats)

A SWOT survey (Appendix A) was developed by Ann and used to analyze current HEAB processes, guide the Task Force discussion and develop recommendations. The survey was distributed to members of the Task Force who in turn worked within their own sectors to get state-wide feedback.

Several themes surfaced in the survey results (Appendix B) and were used to determine what actions would be taken and changes that needed to be addressed.

TASK FORCE RECOMMENDATIONS

- All options should keep the student as the main focus and beneficiary.
- Alternative delivery systems such as: distributing funds using a lottery system; giving priority to junior/senior level students; and/or using a rolling application date were discussed. While there was merit to each idea it was determined that distribution of grants based on FAFSA filing dates was most fair to all students.
- Each sector should fully explore formula options that are available under the current statutes; however, each sector's formula will be applied consistently to all institutions within that sector. These options could include: determining funding allocations for campuses based on historical data; moving to one Tuition Grant formula for dependent and independent students; suspending funding at an earlier date and allowing all student records filed within that time to be updated and processed. Sectors will begin discussions in the summer and fall to consider these and other available options.
- All formula options will require continued reporting to HEAB. Students are limited to 10 semesters of WHEG/TG over a lifetime. Accounting for all funds must be reported by student, semester and amount.
- All sectors agreed that HEAB staff will be involved in formula development and will continue to provide information and assistance in this process.
- HEAB staff should work with each sector to explore possibilities for carryover of funds.
- All sectors should work together with the HEAB to obtain legislative changes that would allow for continuous appropriations for WHEG and TG funds.
- HEAB should work toward electronic submission of refunds.
- Institutions should work to return student funds in a timelier manner.

APPENDIX A
SWOT SURVEY

Date: October 30, 2009
To: Higher Education Aids Board Members
From: Ann E. Zanzig, Process Consultant
Re: Current Process Strengths, Limitations, Opportunities and Threats

In preparation for our future work together on improving the efficiency and effectiveness of the current financial aid distribution process, please fill out the following “SWOT Analysis”.

Kindly return your responses to Ann Zanzig at aezanzig@wisc.edu by Tuesday, November 4, 2009. This will give me plenty of time to aggregate the responses before we start our meetings.

- 1. What do you see as the strengths of the current TG/WHEG distribution process? What evidence do you see in support of these strengths?**

- 2. What do you see as limitations or weaknesses of the process? What evidence do you see of these weaknesses?**

- 3. What opportunities exist for improving the process? (Opportunities are usually time-bound and thus will not be available indefinitely.)**

- 4. What threats (either internal or external to your Board’s control) could hold us back from continued improvement or implementation?**

- 5. What are your personal hopes for improvements?**

- 6. Comments**

APPENDIX B

HEAB SWOT THEMES*

*These were the comments repeated most often

HEAB WHEG/TG TASK FORCE 2009/2010

STRENGTHS:

- Mechanics of the distribution process work well
 - Distribution from equity standpoint
 - Excellent horizontal equity
 - Applies federal rules consistently
 - New notification system
 - Most HEAB processes being electronic is good
 - Administratively simple
 - Seamless to student
 - Students get funds in timely basis
 - Web accessibility
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WEAKNESSES:

- Needy students applying late often do not receive funding
 - Lack of commitment to set a formula that will last into second semester
 - Unrealistic timetable for formula development
 - Funds don't keep pace with need
 - Lack of ability to return funds electronically
 - Shortage of staff at HEAB i.e. slow response
 - Paper refund process
 - Equity concerns
 - Funding structure
 - Difficulty of knowing how many funds are available when they are managed centrally
 - We don't have REAL data to support concept that poor students apply late and get fewer funds
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OPPORTUNITIES:

- Real time queries to database file import and export capability
 - Monthly rolling application deadline
 - Possibility for more funding??
 - Ability to implement a process that allocates funds to students with most need.
 - Legislative "will" for funding right now
 - Consider state grant models in other states
 - Simple to change, harder to implement
 - One large state notification file instead of individual school files?
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THREATS/OBSTACLES:

- Limitation of state funding
 - Insufficient computer support at HEAB
 - Federal changes to eligibility coming
 - Continued state budget crisis
 - Concern for equity among UW system schools
 - May require legislative action for some changes
 - Insufficient IT
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12/14/09