



Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

November 5, 2010

TO: Members
Special Committee on Review of Higher Education Financial Aid Programs

FROM: Emily Pope, Fiscal Analyst

SUBJECT: Payments Received Through HEAB-Administered Education Loan Programs

At your request, I am providing information related to education loan programs administered by HEAB and the loan payments received through those programs.

The Higher Educational Aids Board (HEAB) administers four educational loan programs: (1) the nursing student loan program; (2) the minority teacher loan program; (3) the teacher education loan program; and (4) the teachers and orientation and mobility instructors of visually impaired pupils loan program. Loans made through the nursing student loan program are forgiven at a rate of 25% a year for each of the first two years that a recipient is employed full-time as a nurse or nurse educator in this state. Recipients must then repay the remaining 50% of the loan's principal. Loans made through the other three programs are all 100% forgivable meaning that only those recipients who fail to meet the service requirements for forgiveness will enter repayment.

Loan payments received through these programs are deposited into the general fund. Because loans made through the nursing student loan program are 50% forgivable and loans made through the other three programs are 100% forgivable, the amount of loan payments received are relatively small. As an example, in 2009-10, HEAB received \$16,710 in loan payments through the nursing student loan program, \$22,153 through the minority teacher loan program, and \$4,118 through the teacher education loan program. No loan payments were received through teachers and orientation and mobility instructors of visually impaired pupils loan program.

For the purpose of comparison, the table below shows the number of loans provided and total expenditures for each of these four loan programs in 2009-10.

**Awards and Expenditures for Education Loan
Programs Administered by HEAB, 2009-10**

	<u>Number of Awards</u>	<u>Total Expenditures</u>
Nursing student loan	229	\$424,702
Minority teacher loan	80	190,826
Teacher education loan	23	64,125
Teachers and orientation and mobility instructors of visually impaired pupils loan	6	60,000

I hope this information is helpful. Please contact me if you have additional questions.

EEP/lc