DATE:   September 20, 2023

TO:  Members of the Assembly Committee on State Affairs

FROM:  UW System Office of Government Relations

RE:  Written Testimony in Support of Assembly Bill 381

Thank you, Chair Swearingen and committee members, for providing the UW System (UWS) an opportunity to submit written testimony in support of Assembly Bill 381 (AB 381). We thank Representative Murphy and Senator Ballweg for authoring this legislation, which has been a collaborative effort with each of the higher education sectors and the Wisconsin Higher Education Aids Board (HEAB).

Assembly Bill 381 makes several improvements to Wisconsin’s financial aid programs to benefit students. These changes will make Wisconsin’s financial aid programs more user-friendly and align with federal financial aid requirements. The accompanying memo outlines the three major changes in the bill, which include:

- Update references in state statute from Expected Family Income (EFC) to Student Aid Index (SAI);
- Align Wisconsin statute with federal financial aid Selective Service requirements, and;
- Amend the Wisconsin Grant Program to be more student friendly.

The first two changes simply align Wisconsin statutes and processes with changes occurring at the federal level. This will provide clarity for students and remove barriers to accessing state financial aid benefits for our students who are required to register for the Selective Service. The requested changes to the Wisconsin Grant Program would not only allow the program to operate in a more understandable manner for all higher education students, but specific to UWS will allow us to provide more support to students who have the most financial need. State statute currently limits the Wisconsin Grant award maximum to $3,150 for UWS and Wisconsin Technical College System students. The statutory cap has limited the amount of aid that can be provided to students with the most need. By lifting the cap, it will allow us the flexibility to provide more adequate funding to this group of students, which during the 2021-2022 academic year could have impacted each of the 28,438 students who received a Wisconsin Grant.

Beyond the changes outlined in the accompanying memo, AB 381 also expands access to the emergency grants program for UWS. With the merger of UW Colleges and the UW System, as of July 1, 2018, each UW Colleges campus officially became a branch campus to a four-year UW school. Currently, emergency grant funds can only be provided to students attending a branch campus. The legislation would expand eligibility to allow students at either a branch or four-year
campus to apply for the funds. Unforeseen circumstances can impact all students, and expanding
the program will allow all students to apply for these funds.

One of the objectives of the UW System five-year strategic plan is “enhancing the student
experience and social mobility”. AB 381 helps the UW System—and all the higher education
sectors—with this objective, by simplifying and improving Wisconsin's financial aid programs to
meet the needs of our students.

We again thank the authors for collaborating with the higher education sectors to modernize
Wisconsin's financial aid statutes and process to better serve our student population.
State Financial Aid Modernization

The sectors support Senate Bill 380 and Assembly Bill 381 which address all the needs outlined within this document and will modernize financial aid for Wisconsin.

On December 27, 2020, congress passed, and the President signed, the Free Application for Federal Student Aid (FAFSA) Simplification Act of 2020, which was a bipartisan measure that made several changes to the Higher Education Act of 1965 (HEA).

Some of the changes in the law have a direct impact on the administration of our Wisconsin’s financial aid programs for all higher education sectors. Two significant changes in federal law modify the methodology for calculating a student’s financial need and remove the requirement to report selective service registration to receive Federal financial aid. In partnership with the Higher Educational Aids Board (HEAB), all higher education sectors in Wisconsin have examined the changes and are requesting legislative changes so Wisconsin students will continue to benefit from our state’s financial aid programs.

These changes include:

• Update references to Expected Family Contribution (EFC) in state statutes to Student Aid Index (SAI)
• Align Wisconsin with federal financial aid Selective Service requirements
• Amend the Wisconsin Grants Program to be more student friendly

Continued...
Update references to Expected Family Contribution (EFC) in state statutes

The U.S. Department of Education (DOE) has used EFC as the methodology for calculating a student's educational financial need for decades. The federal FAFSA Simplification Act updated the methodology from the EFC to SAI. All higher education sectors in Wisconsin currently use the EFC to calculate Wisconsin Grant and other financial aid awards. We request that our state statutes are amended where EFC is referenced (including chapter 36, 38 and 39) to the current needs analysis formula, now known as SAI.

Align Wisconsin with federal financial aid Selective Service requirements

The bipartisan FAFSA Simplification Act also removed the need for a student to confirm their Selective Service registration on the FASFA application. Although federal law still requires males 18 and older to register with the Selective Service, this data is no longer collected by the Department of Education (DOE) or required to confirm registration to receive federal student aid. Under state statutes, Wisconsin is prohibited from providing state financial aid to students who do not register with the federal Selective Service. Since this data is no longer matched and provided by the federal government, Wisconsin students are burdened with providing proof of registration before they can qualify and receive state aid. All Wisconsin higher education sectors are recommending that verification of the Selective Service registration should be removed from state statutes to align with the federal policy change.

Amend the Wisconsin Grants Program to be more student friendly

To assist Wisconsin students in navigating the federal and state financial aid process, and recognizing the changing nature of today's students, the higher education sectors are requesting changes to the Wisconsin Grants lifetime eligibility to align with the Federal Pell Grant. The Federal Pell Grant has an eligibility limit of six years or 12 semesters, is prorated based on the enrollment of the student, and allows students enrolled less than half-time to receive funding. The Wisconsin Grant caps eligibility at 10 semesters, regardless of the number of credits taken, and prohibits students who are enrolled less than half-time to receive a grant. This leaves Wisconsin's nontraditional students at a disadvantage. We request state statutes be amended to align the eligibility cap with the Federal Pell Grant and to provide students who are enrolled less than half-time equal access to Wisconsin Grant funding.

We also request that outdated formula components be eliminated in statutes to allow for a consistent award process for all sectors of higher education. This will allow for a more efficient and transparent process for students and families and update language that has been in the statutes since the early 1970s.

Finally, the sectors would like to request the Wisconsin Grant maximum award dollar amount be removed from state statutes. The statutory cap of $3,150 no longer meets the intent of the program, which is to cover half of tuition costs for students eligible for the program. Removal of the cap will provide students who have the most need more suitable grant awards.