



## Legislative Fiscal Bureau

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November 5, 2010

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

FROM: Emily Pope, Fiscal Analyst

SUBJECT: 2009-10 Expenditures for State-Funded Student Financial Aid Programs

At your request, I have attached a table showing the amounts appropriated and actual expenditures for 2009-10 for state-funded student financial aid programs.

As shown in the Attachment, expenditures for several programs were significantly less than the amounts appropriated. In considering actual spending levels, it should be noted that the nature of some appropriations do not readily allow for excess expenditures and that this may contribute to those appropriations being underspent. There are four general types of appropriations: annual, biennial, continuing, and sum sufficient. Annual appropriations must be spent by the end of the fiscal year; any remaining funds then lapse to the general fund. Biennial appropriations allow funds to be transferred from one year within the biennium to the other. However, any balance remaining at the end of the biennium lapses to the general fund meaning funds cannot be carried over from one biennium to another. An agency may only expend more than the amount of an annual appropriation or the balance of a biennial appropriation in the second year if additional funds are provided by the Legislature's Joint Committee on Finance under s. 13.10 or by the Legislature through separate legislation.

With the exception of the appropriations for the academic excellence scholarship, Minnesota-Wisconsin education reciprocity, and WHEG-UW, all HEAB financial aid appropriations are either annual or biennial appropriations. As financial aid packages are generally prepared in advance of a student enrolling in a college or university, HEAB makes awards prior to knowing how many students will enroll. Based on historical data, HEAB can predict what proportion of students will accept each particular award and base the number and amount of its awards on that data. However, because expenditures in general cannot exceed the appropriated amount, HEAB must make awards such that expenditures will not exceed the appropriation. This may cause HEAB to make fewer awards and underspend the appropriation. At the same time, one of the benefits of annual

appropriations is that they ensure that a certain amount of funding will be available for programs in each year of the biennium.

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

EEP/le  
Attachment

## ATTACHMENT

### Summary of State-Funded Financial Aid Programs

<u>Program</u>	<u>Administering Agency</u>	<u>Type of Program</u>	<u>Source of Funds</u>	<u>2009-10 Appropriation*</u>	<u>2009-10 Expenditures</u>	<u>Percent of Appropriation Expended</u>
Academic excellence scholarship	HEAB	Scholarship	GPR	\$3,190,000	\$3,126,180	98.0%
Advanced opportunity program	UW System	Grant	GPR	8,056,900	8,056,900	100.0
Dental education contract	HEAB	Tuition subsidy	GPR	1,386,400	1,386,400	100.0
Fee remissions to surviving dependents of protective service officers	UW System & WTCS	Remission	GPR	43,900	43,524	99.1
Grants for study abroad	UW System	Need-based grant	GPR	990,000	990,000	100.0
Handicapped student grant	HEAB	Need-based grant	GPR	122,600	103,191	84.2
Indian student assistance grant	HEAB	Need-based grant	PR	779,700	763,324	97.9
Lawton minority undergraduate retention grant	UW System	Grant	GPR	6,399,500	6,399,500	100.0
License plate scholarship program	UW System institutions, DOT	Scholarship	PR	158,800	160,100	100.8
Loans for teachers and mobility instructors of visually impaired students	HEAB	Forgivable loan	GPR	99,000	60,000	60.6
Medical College of Wisconsin	Medical College of Wisconsin	Tuition subsidy	GPR	1,926,600	1,926,600	100.0
Minnesota-Wisconsin education reciprocity	HEAB	Interstate compact	GPR	12,600,000	13,062,670	103.7

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Minority teacher loan	HEAB	Forgivable loan	GPR	\$259,500	\$190,826	73.5%
Minority undergraduate retention grant (MURG)	HEAB	Need-based grant	GPR	802,800	786,297	97.9
National Guard tuition grant	Department of Military Affairs	Reimbursement grants	GPR	3,300,000	2,911,565	88.2
Nursing student loan	HEAB	Partially forgivable loan	GPR	445,500	424,702	95.3
Physician & dentist & health care provider loan assistance program	UW System	Non-need-based loan repayment	PR	488,700	452,900	92.7
Remission of fees and reimbursement for veterans and dependents	UW System, WTCS, & HEAB	Remission; cash payments in some cases	GPR	6,496,700	6,496,700	100.0
Student aid	UW System	Matching funds for federal Perkins loan program	GPR	1,333,900	1,333,900	100.0
Talent incentive grant program	HEAB & Department of Public Instruction	Need-based grant	GPR/FED	4,458,800	2,928,619	65.7
Teacher education loan	HEAB	Forgivable loan	GPR	272,200	64,125	23.6
Tuition grant	HEAB	Need-based grant	GPR	26,338,300	25,909,981	98.4
Tuition increase grants	UW System	Need-based grant	PR	4,100,000	3,013,900	73.5
UW-Extension sustainable management degree program	UW System	Scholarship	SEG	100,000	0	0.0
UW-Madison Nelson Institute for Environmental Studies	UW System	Need-based grant	SEG	100,000	99,400	99.4

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Veterans tuition and fee reimbursements	Department of Veterans Affairs	Reimbursement grants	SEG	\$1,877,900	\$1,726,307	91.9%
WHEG-tribal	HEAB	Need-based grant	PR	438,800	416,675	95.0
WHEG-UW System	HEAB	Need-based grant	GPR	55,000,000	54,977,370	100.0
WHEG-WTCS	HEAB	Need-based grant	GPR	18,162,200	16,938,742	93.3

\* The amount shown for the license plate scholarship program is the amount of received in 2009-10. The amount appropriated, which is an estimate of future receipts, was \$201,500.

\*\* The talent incentive grant program is funded through a combination of state GPR and federal funds. The table shows the amount of the GPR appropriation and GPR expenditures only.