

UNIVERSITY OF WISCONSIN SYSTEM
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LEGISLATIVE INITIATIVES

HIGHER EDUCATION ACT REAUTHORIZATION

The University of Wisconsin System has multiple stakeholders: taxpayers of Wisconsin, the half-million living alumni of our institutions, current students who support their education with tuition, many private donors who generously provide the margin of excellence for many of our programs, the Federal government and private foundations that support world-class research at our institutions, business and labor across the state and nation who rely on UW System schools for high-quality employees, and communities all across Wisconsin that partner with our campuses to boost both the economic and cultural opportunities that make life in Wisconsin satisfying for us and for the next generation.

In tight financial times, these partnerships are more important than ever. The central policy goal of the HEA is to broaden access to quality higher education. We appreciate the opportunity to work with our federal lawmakers to ensure that federal policy reflects these mutual goals.

The UW System offers the following major policy statements and recommendations as work begins in the 109th Congress to reauthorize the Higher Education Act of 1965.

ACCOUNTABILITY

The UW System was one of the first public higher education systems in the nation to adopt accountability reporting. We are proud of our accountability record, and we carefully consider each of the benchmarks we utilize to assess performance, including measures to ensure access to UW System institutions; increase levels at which students continue in higher education and complete degrees; improve learning competencies; promote learning environments that foster students' ability to function in a dynamic world community; enhance learning environments outside the classroom; and demonstrate our efficient and effective stewardship of resources.

Recommendation:

- Congress should take into account existing models of accountability reporting and draw upon these experiences. Additional funding for performance improvement could be tied to institutional accountability using a continuous improvement model.

ACCREDITATION

The UW System views the accreditation process as one that potentially benefits its institutions in critical ways. All UW institutions engage in institutional and program review as part of normal operations. The UW System and its institutions are committed to meeting the requirements and conducting the large but necessary amount of work that needs to be undertaken with each accrediting procedure. There are three types of accreditation: (1) regional, where authority

extends to a geographic region; (2) national, which is often for single-purpose institutions; and (3) specialized, which reviews specific programs or schools. Specialized or professional accreditation agencies have often caused concern, as institutions are wary of what they view as outside interference by specialized accreditation agencies seeking to drive the curriculum, which results in “credit creep,” increased time-to-degree, and added costs for students.

CAMPUS-BASED FINANCIAL AID PROGRAMS

The Supplemental Educational Opportunity Grant, Work-Study, and Perkins Loan programs are collectively referred to as the “campus-based” financial aid programs. These programs are funded through HEA discretionary funding.

The current statutory formulas allocating campus-based funding, called the “base guarantee,” is historically distributed a share of funding to schools that have participated in the program the longest. The Department also calculates a “fair share” formula, determined by an institution’s “need” relative to other eligible institutions. If the school’s “base guarantee” amount is higher than the calculated “fair share” amount, the school receives only the “base guarantee.” If the “base guarantee” is lower than the “fair share,” the school receives the “fair share” amount.

These formulas have been identified as inequitable by the Administration’s Program Assessment Rating Tool. The Administration has proposed to eliminate or phase out the base guarantee portion of the distribution formula. The UW System objects to this provision. The “conditional guarantee” mechanism has assured our institutions level funding each year. By phasing out this grandfathering, the net impact for UW institutions, Wisconsin private colleges and Wisconsin Technical College System schools would be a huge loss that could cost as much as \$10 million for UW students alone. **This change also shifts money away from schools with low loan-default rates to schools with higher default rates.**

Also, the FY 2005 Omnibus eliminated the Federal Perkins Loan Program Capital Contribution. This funding was allocated to institutions to provide Perkins Loans to students above the funding available from their revolving loan fund. In 2004-05, UW System institutions received \$1,745,211 in Perkins Loan capital contributions. The elimination of this funding results in a decrease of approximately 800 Perkins loan recipients throughout the UW System. This change, in conjunction with the change to the tax tables (see tax tables section), results in a tremendous decrease in Federal financial aid funding available to UW students.

Recommendations:

- Provide adequate funding for the campus-based programs;
- Maintain the base-guarantee portion of the distribution formula for campus-based aid.

CREDITS IN TRANSFER

In the matter of accepting courses for transfer, the UW System believes it can meet the spirit of Title III without legislation and in a manner that will better address the differences in goals and standards of different kinds of postsecondary institutions. The UW System and Wisconsin Technical College System Committee on Baccalaureate Expansion just received approval from its governing bodies to move forward with several joint initiatives aimed at increasing the

number of Wisconsin citizens with bachelor's degrees. Strategies under consideration include developing UW System degree completion programs in applied science or general studies for working adults with an Associate Degree who want or need a Bachelor's degree to advance in their careers; and promoting collaborative degrees that allow a student to transfer 30 credits of technical college instruction to partially satisfy general education requirements upon transfer to a UW System campus.

In the 1st session of the 108th Congress, legislation was introduced that would establish reporting requirements regarding the number of credits accepted/denied categorized by the source of the accreditation of the transferring institution. The cost of developing databases and writing programs to handle these requirements, in addition to the ongoing data entry costs, would be onerous and staggering.

DIRECT LENDING AND FEDERAL FAMILY EDUCATION LOAN PROGRAM

The federal government has two main student loan programs: the Federal Family Education Loan Program (FFELP) and the Direct Loan (DL) program. In FFELP, private banks provide the capital to make loans, while the federal government guarantees the loans against default and guarantees returns to the bank. In the Direct Loan program, the federal government acts as the lender and provides the money for loans through wholesale U.S. Treasury bonds. Mr. Petri (R-WI) and Mr. Miller (D-CA) have introduced legislation encouraging the Secretary of the U.S. Department of Education, in carrying out the Direct Loan Reward Program, to encourage institutions to participate in the Direct Loan Program instead of the FFEL Program. The bill stipulates there will be a financial reward payment to an institution equal to 50 percent of the savings to the federal government generated by the institution's participation in the Direct Loan program. Savings would be used to provide federal college scholarships (Pell Grants) to students.

Recommendations:

- The basic policy objective to generate savings through efficiencies and more grant aid for students and their families is positive.
- UW System schools would be concerned, however, if there was a shift to a one-option program with no competition to force a good product.

DISTANCE EDUCATION

The reauthorization of the Higher Education Act offers Congress an opportunity to create funding incentives to encourage broader use of distance learning. Specifically, this technology could promote expanded access for non-traditional adult learners; enhance quality through collaborative, online degree programs supported by revised public policy; and provide accountability via adoption of technical standards and reusable learning content. The UW System is the headquarters of the Academic Advanced Distributed Learning Co-Laboratory. The Academic ADL Co-Lab is researching cutting-edge technology issues, including how learning content can be created that is interoperable, accessible, and reusable; how learning can be delivered over mobile devices, such as cell phones; and how video games are setting a new standard for learning.

Recommendations:

- Extend and expand the Distance Education Demonstration Project authorized in Sec. 486 to ensure access for learners at a distance;
- Establish a demonstration project aimed at overcoming state and local policy barriers to providing education to distance learners;
- The Department of Education should be directed to establish a program making funds available to colleges and universities for technology. One priority in the distribution of funds should be to support research to evaluate the effective use of technology for teaching and learning, and to assess sharing of content, such as the Sharable Content Object Reference Model (SCORM), for e-learning applications in higher education.

FIFTY PERCENT PROVISION

During the 1st session of the 108th Congress, legislation was introduced that would give priority for new grants or contracts to institutions at which 50 percent of the undergraduate student enrollment is Pell Grant-eligible. There is not a single campus within the entire UW System (14 institutions in the UW System) at which 50 percent or more of the student body receives Pell Grants. The UW System is concerned about the detrimental effects this change could have on students at our institutions.

LOAN LIMITS AND CONSOLIDATION

The annual loan limits are inadequate, especially for first-year students, because loan limits have not kept pace with increases in higher education prices. There is an increasing gap between college prices and student resources, especially for financially needy students, and students are increasingly turning to other, more expensive sources, of credit to pay for higher education expenses. We are aware of concerns that raising loan limits may be used by some policymakers to reduce federal grant program support. Nevertheless, without an increase in the federal limits, borrowers increasingly seek private loans.

Recommendations:

- Congress should raise the Stafford loan limits, especially for first-year students.
- Congress should find the proper balance between school aid programs and borrower benefits; with savings in aid programs (i.e., going to a variable rate Consolidation loan) being put directly back into the aid programs.

NATIONAL CENTER FOR EDUCATION STATISTICS (NCES)

The federal government is considering a plan to begin tracking the educational progress of every student enrolled in higher education as part of a massive overhaul of the database it uses to calculate higher education statistics. NCES is conducting a mandated study to determine the feasibility of requiring colleges to provide specific information on each of their students (by student's social security number) in order to create a unit record system. UW System is concerned about issues involving security, privacy, liability, and the unfunded costs institutions would incur to implement and operate the system.

Recommendations:

- NCES should be encouraged to take a cautious approach;
- NCES should seek the full participation of states, like Wisconsin, that know about common data systems and unit record collections, including successes in creating integrated systems of reporting;
- NCES should utilize systems states and universities have in place and routinely use for data collection and reporting to the U.S. Department of Education.

PELL GRANT AND STUDENT FINANCIAL AID

Student financial aid programs are effective at increasing access to postsecondary education, particularly for low-income students. Despite substantial gains in overall participation in secondary education, individuals from low-income families remain less likely to participate in postsecondary education than other individuals.

Grant aid is the most effective means of encouraging students to enroll and persist in postsecondary education. Unfortunately, federal grant awards have not kept pace with increases in tuition and other school-related expenses, leading to decreases in the purchasing power of federal grants. This erosion in the Pell Grant's purchasing power presents a particular problem for low-income students and their families.

Federal legislation for FY 05 freezes the Pell Grant maximum award at \$4,050, the limit in effect since FY 03. In 2002-03, the Pell Grant program provided a total of \$66.5 million to 28,180 of the UW's most financially needy students. The average Pell Grant award was \$2,358, which covered approximately 60 percent of tuition and fees (20 percentage points fewer than it covered the previous decade). When tuition and fee increases for 2003-04 and 2004-05 are factored in, the Pell Grant covers much less. Since the maximum Pell Grant award has not been increased for the last three years, it can be assumed that for the majority of students, Pell awards have stayed constant since 2002-03. With that assumption, in 2003-04, the award would have covered 52 percent of average tuition and fees, and in 2004-05, it would cover only 45 percent, a decrease of 15 percentage points in only two years.

Recommendation:

- It is essential the Congress reduce the financial barriers to higher education for low-income students by increasing funding for the Pell Grant program.

SIMPLIFICATION OF FINANCIAL AID

The UW System supports simplifying and streamlining the financial aid process to assist students and parents who find the process difficult and cumbersome. Areas for possible consideration of streamlining include single disbursements, 30-day rule and pro-rating of loans, and non-germane student eligibility questions on FAFSA.

Recommendation:

- We encourage Congress to make the rules more uniform across programs, to streamline the more complicated rules, and to eliminate unnecessary regulations.

TAX TABLES

By law, the Secretary of the U.S. Department of Education is required each year to revise the tax tables under which the Expected Family Contribution (EFC) of students and their families is calculated to determine eligibility for federal student assistance. When the Secretary of Education, on May 30, 2003, published revised tax tables and assessment schedules, it was the first time in 10 years that the tax allowance tables differed from the prior year. The Government Accountability Office has identified Wisconsin as one of a handful of “high-impact states” due to the significant difference between the current and proposed treatment of tax allowances for Wisconsin students and their families. UW System President Kevin Reilly, Rolf Wegenke, President of the Wisconsin Association of Independent Colleges and Universities; Dan Clancy, President of the Wisconsin Technical College System; and Elizabeth Burmaster, State Superintendent of Public Instruction, have sent correspondence to the Wisconsin congressional delegation asking that action be held in abeyance until a more deliberative process can be undertaken, including:

- Revising the tax tables on a regular basis, as required by law, to avoid the “shock of a correction that tries to make up for 10 years of changes in state tax burdens;”
- Using more accurate sources of tax data; and
- Undertaking the revision as part of the larger financial aid picture, not as a stand-alone effort.

TEACHER QUALITY

Title II, which provides for Teacher Quality initiatives, has furthered the effectiveness of initial teacher preparation and improved professional development for PK-12 practitioners. Wisconsin’s high level of success in placing “highly qualified” teachers in every classroom is a direct result of the strong partnerships between our universities and colleges (public, private, and technical) and PK-12 schools. Outcomes that have emerged from these partnerships include mentoring programs for new teachers, innovative professional development opportunities for experienced teachers, and a renewed commitment for accountability in teaching and learning.

Recommendations:

- Continued authorization and funding for partnership grants is critical.
- Propose a change in the language to require, rather than recommend, broad-based partnerships among institutions of higher education, state education agencies, local education agencies, community colleges, and other community entities in order to effectively increase teacher quality.

TRIO

TRIO is essential in helping minority, under-served and first-generation students prepare for college. TRIO is the umbrella name for several programs established under the Higher Education Act that allow low-income students, first-generation college students, and students with disabilities to begin and complete a postsecondary education. There are currently seven TRIO programs (Upward Bound, Upward Bound Math & Science, Educational Opportunity Centers,

Students Support Services, McNair Program, Talent Search, and TRIO Dissemination Program). There is also a Veterans Upward Bound program that serves low-income veterans.

Reports that indicate funds for Upward Bound and Talent Search will be eliminated are disturbing. Most students in these programs are from families in which they would be the first to graduate from college. Upward Bound and Talent Search are also feeder programs to the Student Support Services Program, and part of the web of support that is needed to combat the deficiencies that low-income and first-generation college-bound students need to overcome to be successful. TRIO is crucial to our nation's future.

For purposes of the Student Support Services (SSS) Program (but not for other TRIO programs), the Department of Education has ruled that the UW Colleges do not meet the standards set under 34 CFR 646.7 for having "independent" campuses because, while they are independent in practically every respect, the 13 freshman-sophomore UW Colleges of the UW System are headed by a single chancellor and administered by a centralized financial aid operation. Under this interpretation, the entire two-year UW College system is eligible for no more than one SSS grant, which currently provides only \$512,000 for 480 students. This number represents only about 27 percent of those students who are eligible for funding under the program.

Also, current regulation makes this grant available only to students who are in their first 2 years of postsecondary education, who are receiving federal Pell Grants, and current participants in the Student Support Services Program. Students who have completed their first 2 years of postsecondary education and who are receiving federal Pell Grants may also receive the grant only if the institution demonstrates that these students are at high risk of dropping out, and that it can first meet the needs of all its eligible first- and second- year students.

Recommendations:

- Maintain funding for Upward Bound and Talent Search.
- Given demographics and demand for early-intervention funding, increased funding for TRIO programs is essential to allow current programs to keep pace with cost-of-living and new programs to be funded to serve the unmet need;
- Resist a change in legislative language to eliminate "prior experience" for existing TRIO programs or to allocate "prior experience" for anything other than performance;
- Resist efforts to set aside 10 percent of allocated TRIO funds, during a grant writing competition, to fund new applicants;
- Resist efforts to geographically restrict or prioritize TRIO application funding;
- Advocate for debt forgiveness for TRIO graduates who agree to work in a professional capacity with underserved populations or in underserved regions of the country;
- Amend section 402A of the Higher Education Act of 1965 to define the terms "Different Campus" and "Different Population;"
- Eliminate the institutional matching funds requirement for SSS Grant Aid at non-Title III and Title V Schools to make funds available to all participants, irrespective of the institution they attend.
- Expand grant availability to include upper level students and increase the funding of the SSS grant to include this additional population, deleting the provision that demonstration to the Secretary is required to fund students beyond their first 2 years.

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LEGISLATIVE INITIATIVES

LEGISLATION: Child SAFE Act of 2004, H.R. 4856; also known as the Herger Bill
The legislation will be reintroduced this session.

AGENCY: Title IV-E, Funded by the U.S. Department of Health and Human Services

DESCRIPTION: The Child SAFE Act of 2004, H.R. 4856, proposes to eliminate the training entitlement for child welfare training. It would block grant funding so training dollars would need to compete with service and administration dollars. It also proposes to cap federal funds which would potentially limit both current training programs and the expansion of training services. We also expect the Act will result in a reduction of the federal match which would increase the need for state, county, tribal and university dollars to continue current services. We feel these actions would have an affect opposite to the stated intent of the legislation of ensuring child safety and strengthening families. It would result in less preparation and training for child welfare staff and would negatively impact recruitment and retention of qualified, committed workers.

This legislation is at cross purposes with the recently completed federal Child and Family Services Review (CFSR). In this review, Wisconsin, as all other states, was found to be in non-compliance with federal standards for child protection. In response to these results and as directed by DHHS, the Wisconsin Division of Children and Family Services engaged human service professionals, the training partnerships, the universities and other stakeholders from across the state in creating a Program Enhancement Plan which will improve services to children and families. Increased training is a central element throughout this plan. Training requirements will be instituted for pre-service, foundation and on-going training for all child welfare workers, foster and adoptive parents. Implementing policy and practice improvements in areas such as maintaining family relationships; providing services to prevent the removal of a child; and engaging the family in the case planning process will result in the need for new training or revising existing training. Wisconsin's efforts respond to the CFSR and to do what the Child SAFE bill purports to want (safer children and stronger families) will be significantly impaired by the act itself and the removal of the training entitlement.

Limiting or eliminating Title IV-E training funds also runs counter to recommendations in the GAO report from March of 2003 entitled HHS Could Play a Greater Role in Helping Child Welfare Agencies Recruit and Retain Staff. This report states "A stable and highly skilled child welfare workforce is necessary to effectively provide child welfare services that meet federal goals." It also states "high turnover rates and staffing shortages leave remaining staff with insufficient time to establish relationships with children and families and make the necessary decisions to ensure safe and stable permanent placements". The report lists inadequate training as one of the causes of turnover.

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NOTES: If the Child SAFE Act is passed in its current form and child welfare funding is block granted, it is likely that funds for training will not be able to compete with other critical needs and services. With a reduction of Title IV-E funding, the State, counties, tribes and university will be unable to support the current training system which is providing consistent preparation for child welfare staff across the state. We will also be unable to meet the federal requirements for child welfare training and or develop and offer other training needed to improve practice and meet federal standards.

IMPACT ON

Wisconsin: Statewide, four universities have contracts with the State of Wisconsin, DCFS, for the pass through of federal Title IV-E funds for the purpose of training people currently employed and those preparing for employment in public child welfare.

The University of Wisconsin-Green Bay holds two Title IV-E contracts with DCFS. The first is for the Northeast Wisconsin (NEW) Partnership for Children and Families and the Intertribal Child Welfare (ICW) Training Partnership for training those currently employed in public and tribal child welfare. The second Title IV-E contract is for the Social Work Professional Program for preparing BSW and MSW students for employment in public and tribal child welfare.

The fiscal impact would include a loss of an estimated \$163,196 in indirect cost recovery for UW-Green Bay for 2005. It would also mean the elimination of 6 full time academic staff positions and two student positions and severe reductions to the BSW and MSW programs. For 2005, the federal portion of the budgets, including all direct program expenses and indirect cost recovery, is estimated to be \$1,479,644.

With the elimination of the training partnerships and the stipend programs, the university system loses a valuable vehicle to achieve its outreach mission and to meet a significant statewide need for professional development. The State of Wisconsin loses an efficient and effective system for creating the competent child welfare workforce it needs to carry out its mission. The county and tribal child welfare agencies lose the training they have come to depend to help prepare people from varied backgrounds to undertake the highly complex, stressful and critical work of assessing and assuring the safety of children. Child welfare workers lose the support and reassurance they get from being adequately trained to do their work.

Ultimately, the big losers are the families who lose the resource of a more knowledgeable, experienced, confident child welfare worker. And, of course, the biggest loser is the child who needs and deserves society's best efforts to assure them either safety in their own home or in an adoptive home.