

State Issues NASSGAP Conference – June 2002

State	Issue
Alabama	Significant increases in tuition have occurred in most of the higher education institutions to offset cuts due to proration. Alabama has been able to maintain current levels of funding in student aid.
Alaska	
Arizona	
Arkansas	<p>In November of 2001, Arkansas learned that \$14 million would be cut from the \$50 million state financial aid budget for this fiscal year. In order to absorb this drastic cut, Academic Challenge Scholarships and Governor’s Distinguished Scholarships, the two most popular and highly visible programs, were eliminated for this year’s graduating high school seniors. Unlike states with a lottery, Arkansas scholarships are funded through state sales tax and corporate income tax revenues, which have been rapidly declining. The Arkansas Department of Higher Education will appeal to the General Assembly in January to pick these students up in their sophomore year of college.</p> <p>As a new imitative, Arkansas is considering transforming the Arkansas Student Assistance Grant into a non-traditional scholarship program to benefit needy Arkansas students, aged 25 and above. Currently, this age group represents roughly 45% of the state’s population and has no source of state assistance. If other states have such a program, we would be interested in learning about the operation of the program.</p>
California	<p>- Budget Problems California is dealing with a \$23-25 billion hole in its budget. The CSAC administrative budget has been reduced and a hiring freeze is in place. It’s rumored that all agencies will be required to reduce personnel by 5%. The reductions are purported to be 1 year only</p> <ul style="list-style-type: none"> • Cal Grant C (voc ed grants) proposed reduction from 7,761 new awards to 4,796 • Cal Grant T (teacher credential grant with Teaching Service Agreement required) reduced from 2,495 to 1,746 • Zero funding proposed for the State Work Study Program (originally budgeted at \$5.26 million for FY 2002-03) <p>- Cal Grant Program Changes Proposed</p> <ul style="list-style-type: none"> • The Legislature is proposing a study of Alternative Delivery models for Cal Grants (campus-based?) • Increase in number of authorized competitive grants • High Schools mandated to submit all GPAs • FAFSA and financial aid study in HS economics class <p>- Other Student Aid Legislation</p> <ul style="list-style-type: none"> • 9/11 Memorial license plates – scholarships • Operation Enduring Freedom scholarships
Colorado	
Connecticut	Although it is unlikely CT will have a budget prior to the NASSGAP conference, we are lobbying hard to ensure that CT will be able to fulfill the MOE requirement in the LEAP Program. We were unable to apply for SLEAP funds because a proposed budget crafted by the Democratic controlled Legislature was not signed by the Governor and that budget had a \$2.5 million reduction in funding for need based aid. During the session there were a number of bills that got out of committee that provided financial for students preparing to work in various shortage areas (nurse, health care workers, and special ed teachers), however as they moved along reality set in (i.e. no money) and they were not enacted into law.
Delaware	
District of Columbia	

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Florida	<p>The Florida 2002 Legislative session continued to support financial aid for Florida’s postsecondary students. Our three largest programs, need-based, merit-based and tuition assistance programs received increases in funding. Some teacher and special interest programs continue to be phased out with legislative intent of redirecting such programs to the local levels. Overall, funding was up approximately 13%, from \$352 to \$399 million dollar appropriation.</p> <p>The new Florida Board of Education under the direction of the Secretary of Education is conducting multiple studies to create a comprehensive K-20 seamless education system. Higher Education Funding is one focus of study to compare Florida nationally and economically in order to prepare and direct our future.</p> <p>Our merit-based program, Florida Bright Futures Scholarship, will implement a credit acceleration program with an end of year study for effectiveness. We have a contract with College Board CLEP program and funding from the legislature to implement. We are creating a web-based online counseling tool to assist in the advisement of students entering postsecondary institutions. This tool will collect high school courses, AP, IB, and CLEP exam results per student.</p> <p>Our state student financial aid database is completing its first year of operation. The business cycle of student applications, budget allocations, centralized disbursements, and end of year data collections for reporting are well underway. We look forward to the second year of enhancements.</p>
Georgia	
Hawaii	
Idaho	<p>Legislature – Meets annually; January through March</p> <ul style="list-style-type: none"> • State agencies, including higher ed, experienced 5% budget “holdback” in FY02. • FY03 general fund appropriation for higher education reduced by 10% from its FY02 base budget. • FY 03 budget preserved funding for increased number of medical education seats gained in current fiscal year. • FY03 budget provided “enhancement” for second year of Promise Scholarship funding. • Legislator unsuccessful in converting need-based SLEAP money into scholarship/stipend for student teachers. <p>Tuition and Fees – Idaho Tuition/fees increased by average of 12% for FY03</p> <p>Idaho Higher Education -- Idaho is decentralized.</p> <ul style="list-style-type: none"> • Public higher ed system has four 4-year schools, 2 community colleges (UI, ISU and LCSC also have community college function), and one technical college. • State student aid budget is approximately \$7.4 M (does not include approximately \$3.5 M in state support for students enrolled in special health professions programs out-of-state – medical, dental, optometry). <p>New Programs – Two in current academic year.</p> <ol style="list-style-type: none"> 1. Idaho Promise Category B Scholarship <ul style="list-style-type: none"> – \$250/semester for students w/ 3.0 high school GPA or 20 or better on ACT. Good for two years. Institutions responsible for identifying eligible students. – Biggest implementation challenge has been lack of funds for data management system for program. – While legislature provided some funds for scholarships for second-year students in FY03, not enough and so scholarship has been reduced to \$200/semester for next academic year. 2. “Grow Your Own” Teacher Scholarship

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	<ul style="list-style-type: none"> - Intended to provide career ladder for school district employees to complete requirements for associate or baccalaureate degree in education with bilingual or ESL endorsement, or for Native American para-educators to obtain teacher education degree. - Goal is to help Idaho School districts place qualified BE, ESL and Native American teachers in schools where they can serve as role models/mentors to underserved and minority students.
Illinois	
Indiana	<p>The state's economy is in a world of hurt and budget cuts are the rule of the day. The General Assembly is in special session presumably to try and find a fix but so far they have only come up with square peg ideas to fit a hole that gets bigger by the day. The prevailing solution is to cut government services. Increasing tobacco and gaming taxes have been discussed as potential solutions but even if passed these measures alone may only slow the bleeding. Meanwhile state agencies have been instructed to submit biennium budget requests that are 7% lower than current budgets (which have already been cut). As a consequence, not only are no new aid programs on the horizon but cuts to current programs are probable.</p>
Iowa	
Kansas	
Kentucky	<p>KHEAA has identified the following concerns and issues to share with the NASSGAP membership:</p> <ul style="list-style-type: none"> - Maintain a balance between merit and need-based state funding - Definition of unmet need - Kentucky Educational Excellence Scholarship (KEES) funding - In-state portability of need-based state grants - No FY03 state budget for the Commonwealth of Kentucky, as of 5/28/02
Louisiana	<p>TUITION INCREASES – The LA Legislature passed a bill last year that now allows all public post secondary schools to increase tuition by a maximum of 3% annually, effective with the 02-03 academic year. All increases are subject to approval by the joint budget committee of the legislature. It was also decided that this increase would be covered under the TOPS program and would be paid out of Louisiana’s share of the tobacco settlement money. So far, all higher education boards have approved this tuition increase for their campuses.</p> <p>TOPS Payments will “top” out at about \$108M for academic year 02-03. It is expected to tier down next year due to attrition, graduation and term counts. Because we started two high school graduation classes simultaneously on the program, this should be the only year we are paying for five classes. (1997 graduates were determined eligible, but could not be paid until 98-99).</p> <p>Budget Cuts - All state agencies have been given a specific reduction in the number of staff positions they may fund for 02-03. Ours was 12 positions. We are requesting reinstatement of these because, as a guarantee agency, we can supplement the cost of all financial aid operations. If we were to cut 12 of our state funded positions, we would lose almost our entire Scholarship/Grant Division.</p> <p>START Saving Program – Louisiana’s 529 plan, START, was tweaked some this legislative session. Louisiana has a fiscal only session every other year, so legislation is limited this year to fiscal matters. Some enhancements were made during a special session a few months ago that now makes our Savings program more attractive to our state residents. We will allow “Earning Enhancements” to be paid on equity accounts; we have changed the definition of the amount on which we will pay “Earning Enhancement” to an account (from 5 times the amount of tuition at the highest cost public institution, to 5 times the qualified higher education expenses at the highest cost public institution) and broadened the definition of tuition to include graduate and professional schools. Prior to this Act, also the beneficiary had to be a Louisiana resident if the owner was not a member of the family. Now, the owner or the beneficiary must be a Louisiana resident.</p> <p>TOPS Application controversy – The FAFSA has always been the application for a TOPS Award.</p>

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	<p>There are some critics that say students are eligible based on credentials and should not be forced to fill out such an obtrusive document. We are being warned that this will be brought before the legislature next year.</p> <p>There is currently a fight between the governor and the legislature over renewing “temporary” taxes or making them permanent. The governor is threatening severe cuts to higher education and our TOPS program (18 Million) if the legislature does not vote to make the taxes permanent.</p>
Maine	<p>Two weeks after the Legislature passed the supplemental budget for FY03 and had adjourned, the Governor announced a 180 million dollar shortfall in the budget for FY02 & FY 03. The State Grant Program funding may be reduced by 1 million dollars effecting almost 1,200 students, most of these students have received their financial aid award letters. Meetings are being held with the Governor's office to show the impact of these cuts. The deficit projected for FY 04 & 05 could be larger. The good news is, we completed our first academic year processing our grants on-line which has proven to be very successful. Our disbursements were within 1/2 % of our projections for AY 2001-2002.</p>
Maryland	
Massachusetts	
Michigan	<ol style="list-style-type: none"> 1. We are in the same financial situation as the rest of the country. April revenues were worse than expected and there is no feeling of comfort for the future. Cutbacks are definitely “on the table”. 2. The state is offering an early retirement opportunity. We will lose three FTEs and will not be able to replace any of them. 3. There is a proposed new nursing grant/loan program. The allotment for this currently is 4 million dollars. 4. Beyond funding, the issue is getting the schools and students used to our new data platform.
Minnesota	<p>The Minnesota Legislature struggled with budget cut this session but did not cut State Grant. In fact an additional \$9.5 million was put into the State Grant program and the agency was instructed to continue to make full awards even if funds from the State Work Study Program and the Child Care Program must be moved into State Grant.</p> <p>For the first time Minnesota will have a small (\$75,000) merit based grant program for students who score an average of three or above on five Advanced Placement tests or a four or above on five International Baccalaureate tests.</p> <p>Next year Minnesota State Grant will be calculated using the actual tuition and fees charged to each student. This means that a student who is taking a particularly expensive class load in one term will get more assistance than a student who is enrolled in less expensive classes for that term at the same institution. The amount of tuition and fees use to calculate the State Grant award are capped for both public and private institutions. The cap for the two-year institutions in Fiscal Year 2002-03 is \$6,913 and for four-year institutions is \$8,983.</p>
Mississippi	
Missouri	
Montana	<p>Montana, like most states may be facing a budget reduction for FY2003. If so, our MTAP program funding might be reduced by \$250,000. At the same time we are preparing for next legislative session which begins January 2003. We are working with our state colleges to make our High School Honor Scholarship a 4-year fee waiver, versus the 1-year fee waiver it is as of this date.</p>
Nebraska	
Nevada	
New Hampshire	
New Jersey	<p>NJ will provide an update on the initiatives taken by this state to assist families of the victims of the September 11 attacks meet their educational expenses. This includes an Executive Order retroactive to the fall 2001 and spring 2002 semesters to waive tuition for families of 9/11 victims who attend NJ</p>

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	<p>State colleges and universities and the New Jersey Institute of Technology. Legislation has also established the World Trade Center Scholarship Program that calls for the creation of a 10-member board to raise and distribute scholarship funds for the victims' families.</p> <p>We will also discuss the impact of budget constraints on the Tuition Aid Grant Program, which will result in level funded awards for 2002-03, but will provide sufficient additional funds to provide awards to up to an additional 2,000 students.</p>
New Mexico	<p>While the legislative recommendation for the financial aid budget was flat, the governor "sanded" .2% for all programs. However, given the budget cuts faced by most state agencies, the sanding represented a minor change for our financial aid programs.</p> <p>The Legislative Finance Committee has directed the Commission on Higher Education to "revisit the mission, goals and objectives of the Lottery Success Scholarship Program and consider the options that increase access to higher education for the neediest New Mexico students." Currently this scholarship program is a merit-based program. The legislature is exploring ways to increase funding for need-based programs without increasing the General Fund appropriation.</p> <p>New Mexico received an increase in funding for our Nursing and Teacher Loan-for-Service programs. While the total financial aid budget was not increased, funding was taken from other programs to increase funding for these critical career shortage areas.</p>
New York	<p>New York put its state budget to bed only a mere 48 days late, this being the 18th consecutive year the state did not pass its fiscal plan by the April 1st deadline. Due to the economic downturn and the terrorist attacks on NY's financial district, the state was confronted with a \$5.8 billion deficit.</p> <p>There was quite a bit of action regarding higher education and student financial aid this year:</p> <ul style="list-style-type: none"> – The NYS Tuition Assistance Program (TAP) was continued with no major changes to student awards, and includes the continued phase-in of increased awards that were initially signed into law by the Governor as part of the SFY 2000-01 budget. – Approximately \$712 million was appropriated to support full, part-time and graduate tuition assistance awards for the 2002-03 academic year. – A proposal by the Governor to defer a portion of student awards until graduation, conceived as a "performance award" for graduation, was dropped by the legislature. – Some "creative financing" was included in the budget to avert any reductions to student awards. – The World Trade Center Memorial Scholarship has been implemented via Executive Order at the State and City Universities, and legislation extending the program to New York State's private colleges and universities was passed by the Senate and is pending in the state Assembly. – The Volunteer Firefighter/EMS Scholarship was also passed as part of the budget, which appropriated \$2 million to support scholarships for EMTs, volunteer firefighters and ambulance workers as a recruitment tool. One scholarship per volunteer company of up to \$3,400 will be provided, and a lottery system will be conducted to determine recipients if applications exceed current funding levels.
North Carolina	
North Dakota	

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<p>Ohio</p>	<p>Data compiled recently by the Ohio Board of Regents through its Higher Education Information System (HEI) reveals the following information about students enrolled in the 1998-1999 academic year:</p> <ul style="list-style-type: none"> – Ohio full-time freshmen enrolled in public colleges are as likely to receive college grants as their national counterparts, but the grants are somewhat larger than the national average – Full-time Ohio freshmen on public campuses and at private, non-profit four-year colleges are more likely to receive federally guaranteed loans than their national counterparts. – Full-time Ohio freshmen in all types of college receive lower state aid awards than the national average. – More full-time Ohio freshmen enrolled in private, nonprofit, 4-year colleges are likely to receive at least some state aid than the national average. <p>These data will assist the Statewide Consultation of Financial Aid and College Costs as it considers ways to “maximize” the effectiveness of state financial aid investments and develop a strategic state financial aid policy with emphasis on expanding educational opportunity in the state. An overarching financial aid policy is needed in Ohio to give policy direction to future investments in state funded financial aid programs. The Consultation is also considering how implementation of EFC, in some form, might make the State’s Ohio Instructional Grant Program more sensitive to need and resolve some limitations of the current “grant table” approach to making awards in this program.</p> <p>The Ohio Board of Regents has established a working collaboration with the Ohio College Access Network (OCAN), a consortium of community based college access programs (the first in the country) with the principal goal of increasing the number of underrepresented Ohioans who participate in and complete college. OCAN programs emphasize financial aid counseling and early awareness of financial aid opportunities and most OCAN member program award “last dollar scholarships.” OCAN serves as a mechanism to replicate and expand exemplary access projects and practices implemented by Ohio GEAR UP.</p> <p>Several rounds of budget cuts have been made in anticipation of a significant revenue shortfall in the state (currently estimated at \$700,000). While cuts to the higher education budget have resulted in significant tuition hikes at many public universities for the 2002-2003 academic year, appropriations for all state financial aid programs have been untouched by the cuts. “Access Challenge,” a line item in Ohio’s higher education operating budget, will assist the state in holding down tuition at state community and technical colleges.</p> <p>A popular program that awarded a \$500 scholarship to graduating high school seniors who passed all five sections of the state’s 12th grade proficiency test did not receive a state appropriation for the current academic year (although funds totaling about \$12 million were transferred from other state line items). It is unlikely that this program will be funded in the upcoming biennial budget.</p> <p>Earlier this year, Ohio’s grant portability agreement with the State of Pennsylvania was modified to implement the same limits on “exported” grants that Pennsylvania imposes on its grants that go into Ohio.</p>
<p>Oklahoma</p>	<p>While higher education appropriations for FY 2003 are 1.1 percent less than the previous year, student financial assistance programs were spared from reductions, and three programs received increases.</p> <p>* A \$2.8 million increase in funding was provided for the Oklahoma Higher Learning Access Program, a need-based scholarship that provides tuition to high school graduates who meet certain academic and conduct standards. The increased funding was necessary in order to meet</p>

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	<p>commitments already made to students who entered the program while in high school and who are now ready to enter college.</p> <ul style="list-style-type: none"> * A \$500,000 increase in funding was provided for the need-based Oklahoma Tuition Aid Grant Program. The legislature expressed their intent that the new funding be used specifically to increase award amounts for recipients attending Oklahoma independent colleges and universities. * A \$400,000 increase for the Academic Scholars Program, a merit scholarship that targets National Merit Scholars and students scoring in the top one-half percent on the ACT/SAT. <p>The Oklahoma State Regents approved FY 2003 tuition increases of 7 percent for residents and 9 percent for non-residents at most of Oklahoma's public colleges and universities. In the 2001 legislative session the State Regents were given authority to raise tuition for the next five years.</p> <p>Following a recommendation made by a legislative-created task force that studied Oklahoma's student financial aid programs to evaluate their effectiveness toward the goal of increasing the number of college graduates in Oklahoma, legislation passed in 1999 creating the Oklahoma Tuition Scholarship program was repealed. The program was to have issued scholarships beginning with the high school class of 2003. Recipients would have received tuition scholarships for the first two years of college if their family income did not exceed \$70,000 and they had achieved a 26 ACT score, a 3.25 grade point average and ranked in the top 15% of their class. The task force further recommended a moratorium on the creation of new student financial aid programs that require state appropriations until the programs currently in existence are fully funded.</p>
Oregon	<p>Like many other states, Oregon is struggling with a serious shortfall in state revenue. The Legislature has held two special sessions this spring and another is scheduled for this month to wrestle with an ever growing funding problem. With the exception of lost earnings from the Education Endowment Fund (described below), the agency has experienced only minor reductions to date.</p> <p>Beginning in 1997, our principal need-based grant program began receiving a portion of earnings from the Education Endowment Fund, which receives 15% of net lottery proceeds. Projections indicated that over time this would be a significant source of funds for a program that has been severely under-funded. With lower interest earnings, however, expected revenue this biennium has declined by \$2.1M. In addition, Oregon voters were presented a ballot measure from the special sessions that would have turned this fund into a 'rainy day' fund for K-12 and would have taken out over \$200M next May to help meet K-12 funding issues. Passage would have meant devastating losses to the program in future years. While it was defeated by the voters, it may very well surface again in modified form out of the next special session.</p> <p>In prior roll calls, we have mentioned that we worked with the 2001 Legislature to change a forgivable nursing loan program into a nursing loan repayment program. That program is now established and we expect to make the first set of awards this summer, assuming that funding is not withdrawn.</p>
Pennsylvania	<p>The legislative session continues so appropriation levels have not yet been determined. A 2% increase in the need-based State Grant Program to \$342 M was included in the Governor's recommended budget.</p> <p>The degree to which educational costs, most importantly tuition and fees, will increase has not yet been determined since some sectors have not yet firmly established these for the upcoming year.</p> <p>A current focus for all programs is the potential need to develop an identifier to replace the social security number on notifications while retaining it for recognition across state, school, federal and</p>

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	other systems to allow matches of data to occur.
Puerto Rico	
Rhode Island	<p>Rhode Island is facing a potential \$500,000 cut in the FY 02 state grant appropriation in a supplemental budget process due to an anticipated state deficit of close to \$100 million. There is a potential for another \$500,000 to be cut from the FY03 state grant appropriation due to an anticipated \$300 million deficit. These cuts may jeopardize eligibility for LEAP/SLEAP and may force a reduction/cancellation of 2002-03 grants that have already been awarded.</p> <p>We are in the process of reviewing RFPs for a web-based grant system that would allow web interaction with students and institutions in the processing of state grants.</p> <p>The state tuition savings program - the CollegeBoundfund (CBf)- is doing very well, with over \$2.3 billion in assets. An Academic Promise Scholarship was developed with proceeds from CBf income generated from annual fees. Under this program, each year 100 first time entering freshmen will receive \$2500 per year for four years. Selection will be based on EFCs of 4000 and less and SATs.</p> <p>A CBf Five and Ten Matching Program is also being developed that will provide a limited match, depending on family income, when they open an account for a child ten years old or younger. Matches will be made for the first five years the account is opened. Based upon the availability of funds, there is a potential of matching up to the first \$500 contributed each year.</p>
South Carolina	<ul style="list-style-type: none"> * Additional budget cuts for 2002-03 fiscal year - anticipate a 9% cut * H.4879 passed during 2002 legislative session (outlines how revenues from SC Education Lottery will be spent): <ul style="list-style-type: none"> – Expanded LIFE Scholarship Program (meet two of three academic criteria, attend two-year or four-year institution, added \$300 book allowance for two-year institutions and increased maximum award amount from \$3000 to \$4700 (plus a \$300 book allowance) for four-year institutions) – Created SC HOPE Scholarship ("B" average, first year at four-year institution, \$2650 per year) and Lottery Tuition Assistance Programs (up to cost-of-tuition at technical and two-year colleges) – Created teacher scholarship program (\$2 million) – Fully funded Palmetto Fellows Scholarship program at increased award amount of \$6700 per academic year – One-time additional funding for S.C. Need-based Grants Program (\$3 million) – Provided additional funding for S.C. National Guard Student Loan Repayment Program (\$1.5 million) * Held Statewide financial aid meeting on May 30, 2002, to review proposed regulations for LIFE, PFS, and SC HOPE Scholarship Programs * Regulations will be considered by Committee on Access, Equity & Student Services on June 18, 2002, and will be considered by the Commission on Higher Education in an executive meeting at a later date.
South Dakota	
Tennessee	
Texas	<ol style="list-style-type: none"> 1. We are initiating a new Loan Forgiveness Program for Students undertaking an Alternative Certification Programs in the Teaching field. 2. A new TEXAS Grant II program, for those students that are enrolled in an associate degree or certification program, but were not eligible for the original Texas program. (You will recall that we previously reported The TEXAS Program which is aimed for eligible High

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	<p>School graduates; and another sub Texas Program aimed at students that completed an Associate Degree program and thereby qualify for the original Texas program and can complete their 4 year degree.)</p> <p>3. We are extending our outreach activities and progressing very well on our "Closing the GAPS by 2015" Goals. One of four Goals in this effort is to Close the gaps in participation rates across Texas to add 500,000 more students enrolled by 2015.</p>
Utah	
Vermont	<p>Vermont is currently facing an anticipated shortfall in tax revenues of between \$20,000,000 and \$35,000,000. The budget for '03 has not yet been passed by the legislature, however we are already being told to expect a 3.25% increase in funding followed by an immediate 3.25% rescission.</p> <p>VSAC is developing a survey tool to be used this summer to determine how Vermont families are paying for students enrolled in their first year of postsecondary education. The survey will attempt to determine how families come up with the expected family contributions and remaining needs left after financial aid has been awarded.</p>
Virginia	<p>After being frozen for the last several years, the public institutions are now able to begin raising tuition. Most of the increases have now been reported and it looks like the average is somewhere between 8 and 9 percent which would be high for a one year increase but is not bad considering the number of years we had frozen tuition and even had a 20 percent roll back one year. Financial aid was increased so that the impact on the most needy students is minimized. However, aid for private college students has reduced by 7 and 8 percent for each year in the next biennium. SCHEV is currently studying the issue of affordability in Virginia with results targeted for summer 2003.</p>
Washington	<p>Washington's legislative session was dominated by the need to fill a \$1.5 billion hole in the state's \$22 billion budget. The legislature responded by imposing selected cuts and dipping into the Tobacco Settlement Fund. The early outlook for next year's session will also be dominated by budget as there is again a predicted revenue shortfall equaling an additional \$1 billion for the coming biennium.</p> <p>While the agency's administrative budget was cut, funding for need-based grants was increased. A previously scheduled increase of \$12 million dollars was protected and an additional \$2.4 million was effectively transferred from the merit based Promise Scholarship program to the State Need Grant program. Need Grant funding will top \$104 million for the 2002-2003 academic year. A previously scheduled \$1 million increase for the State Work Study program was also preserved. SWS funding will top \$17 million next year.</p> <p>Although funding for the Promise Scholarship, the state's major merit-based program, was reduced from \$8.4 million to \$6.1 million, the program was finally passed into law. For the past three years the program existed only as a temporary "budget proviso."</p> <p>Two suits challenging the Board's student aid actions in regard to the separation of Church and State, as required by the state constitution, are still unsettled. The state supreme court heard the lawsuit against the state's "EOG" program one year ago. So far no decision has been issued. And, the plaintiff suing the state's Promise scholarship program is appealing a federal superior court's decision to the federal court of appeals.</p> <p>The Board's self study of the Promise Scholarship program is scheduled for release this coming fall.</p>
West Virginia	<ol style="list-style-type: none"> 1. State facing budget difficulties similar to many other states. Governor implemented spending reduction for 2001-2002 which included higher education. 2. A tuition increase for 2002-2003 in the range of 8 to 9 percent has been approved for the public sector institutions. 3. Implementation of the state's merit based program (PROMISE) occurred for 2002-2003. Approximately 3900 to 4000 recipients expected in this initial year.

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	<ol style="list-style-type: none"> 4. Major need-based grant program level funded for first year since 1993-1994. Factor in 8 to 9 percent tuition increases and an increased applicant pool brought about by increased visibility of merit based program and result is approximately 800 fewer awards in 2002-2003. 5. Legislation passed (one year only) to allow the neediest students who qualify for the merit based scholarship to also accept the need-based grant. Set EFC of 4000 as threshold. Grant funds can be used by those recipients for any educational expense. Other grant recipients must apply the award to the payment of tuition and fees. 6. Legislation passed that creates a financial aid coordinating council with the purpose of: <ol style="list-style-type: none"> a. Examining and recommending strategies for maximizing coordination among the various sources of student financial aid. b. Feasibility of developing single form for the application process. c. Strategy for ensuring balance between merit and need-based funds. d. Comprehensive informational and marketing plan to deliver information to middle and high school students. e. Other pertinent issues.
Wisconsin	