

DISCUSSION/ACTION
August 29, 2006

HIGHER EDUCATIONAL AIDS BOARD

BOARD REPORT #07-05

2007-2009 BIENNIAL BUDGET ISSUES

TECHNICAL COLLEGE SYSTEM



July 31, 2006

Mary Jo Green, Chair
Connie Hutchison, Executive Secretary
Higher Educational Aids Board
131 W. Wilson Street
PO Box 7885
Madison, WI 53707-7885

Dear Board Chair Green and Executive Secretary Hutchison:

On behalf of the Wisconsin Technical College System Board and students across the state, we request that the Higher Educational Aids Board (HEAB) seek additional funding for the Wisconsin Higher Education Grant (WHEG) and the Undergraduate Minority Student Retention grant programs for WTCS students. We urge HEAB to include requests for increased appropriations for these programs in its 2007-09 biennial budget proposal.

As you know, significant numbers of WTCS students have limited financial resources. In 2004-05, 38,500 WTCS postsecondary students met federal definitions as economically disadvantaged. One-third of the WTCS students who apply for financial aid are not expected to contribute to their educational costs under federal ability-to-pay calculations. In contrast, only 14.4% of Wisconsin's independent college and university students and 12.8% of UW System students are not expected to contribute to their educational costs under federal ability-to-pay calculations. WTCS students have the greatest unmet financial need of Wisconsin postsecondary students who receive financial aid. According to HEAB, WTCS student average unmet financial need equals 38% of the cost of education. In contrast, average unmet financial need is 24% of cost for independent college and university aid recipients, 32% for tribal college aid recipients, and 20% for UW System aid recipients.

State funding for the WTCS WHEG grants has not met demand in several years. WTCS financial aid officers estimate fully awarding 2006-07 WHEG grant before the beginning of the academic year. As a result, only limited, if any, WHEG grants will be available for students applying in spring 2007 and some eligible fall applicants are unlikely to receive awards.

The need for student financial aid dollars specifically for minority students is increasing rapidly. Minorities account for 13% of WTCS students enrolled in postsecondary programs, which is

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higher than the proportion of minorities in the Wisconsin population, and higher than the proportion of minority student enrollment in the UW System (10.5% in 2005-06). Minority student enrollment in WTCS postsecondary programs increased 22% in the last five years and 60% over the last 10 years.

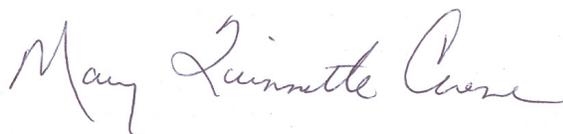
The WTCS Board realizes that HEAB, like all state agencies, is expected to exercise restraint in its 2007-09 biennial budget request. At the same time, we cannot ignore the financial needs of our students and the important role our graduates play in improving the state's long-term economic health. To increase available student aid, the WTCS Board is seeking a statutory funding formula for WTCS-WHEG funding that ties increases in available aid to increases in tuition, similar to the tuition-based funding formula available since 2001 for UW System-WHEG funding.

To address the immediate need for additional student financial aid resources, the WTCS Board respectfully asks that the HEAB 2007-09 budget request include:

- Minimum increases of \$1,353,700 in FY 2007-08 and \$1,463,400 in FY 2008-09, or annual increases of 8.1%, for the WTCS WHEG. This request is based on the most recent (FY 2006-07) percentage increase in WTCS postsecondary/vocational education tuition.
- An annual increase of 14.5% for the Minority Undergraduate Retention grant, based on expected minority student enrollment growth. Based on the most recent distribution of these grant funds between WTCS and private college and university students, this request would provide an additional \$54,850 in FY 2007-08 and \$62,800 in FY 2008-09 for WTCS students.

Thank you for the opportunity to comment on the issues before HEAB that require action in the next biennial budget. We hope this is helpful to your deliberations.

Sincerely,



Mary Quinnette Cuene
President
Wisconsin Technical College System Board



Daniel Clancy
President
Wisconsin Technical College System

cc: WTCS Board Members
HEAB Board Members
R.J. Binau, DOA Budget Analyst