

DISCUSSION/ACTION
March 2, 2007

HIGHER EDUCATIONAL AIDS BOARD

BOARD REPORT #07-16

2007-08 WHEG - WTCS PROGRAM FORMULA

WISCONSIN HIGHER EDUCATION GRANT (WHEG)

Introduction

HEAB administers three WHEG programs; Wisconsin Technical College System, Wisconsin Tribal Colleges, and University of Wisconsin System. The general structure for the WHEG formulas is outlined in the State Statutes. The Higher Educational Aids Board reviews and approves the formulas for the upcoming school year at its February meeting. There are three components in the formula:

(Student Budget – Expected Family Contribution) x Student Award Percentage = Award

Student Budget: The cost of education for the student. It can include tuition, room, board, and other expenses. It is different for all three WHEG programs. However, within each program, the student budget is the same for all students. The Student Budgets are set by the HEAB board as part of the formula approval process.

Expected Family Contribution (EFC): Amount that student or student's family is able to contribute. The EFC is calculated by the Federal Government when the student applies for Financial Aid using the FAFSA¹. It is an individually calculated amount based on the financial information provided by each student during the application process.

Student Award Percentage: Percent of **student budget** used to calculate individual financial aid awards. It is also used to determine the maximum grant that can be awarded to any student. It is different for all three WHEG programs. However, within each program, the Student Award Percentage is the same for all students. The Student Award Percentage is set by the HEAB board as part of the formula approval process.

To calculate individual financial aid awards:

(Student Budget – Expected Family Contribution) x Student Award Percentage = Award

To calculate the maximum award in any of the WHEG programs:

Student Budget x Student Award Percentage = Maximum Award

Factors That Affect the WHEG Programs

Appropriation: There are separate appropriations for each of the WHEG programs. These are determined during the state's biennial budget process.

Changing the Student Budget: If the Student Budget is increased, the grant awarded to each student would increase.

Changing the Student Award Percentage: If increased, the amount awarded to each student would increase and the number of student recipients would decrease due to funding limitations. The number of recipients would increase if additional funding was available to support the increase in eligibility.

¹ Students apply for financial aid on-line through the Federal Government's Webpage or complete a paper copy. A copy of this application, called the Free Application for Federal Student Aid (FAFSA), can be found at www.fafsa.ed.gov.

**PROPOSED 2007-2008 FORMULAS
WISCONSIN HIGHER EDUCATION GRANT
WISCONSIN TECHNICAL COLLEGE SYSTEM**

**March 2, 2007
BOARD REPORT #07-16**

Recommendation of the Wisconsin Technical College System President Dan Clancy:

$(\$8,000 - \text{EFC}) \times 12.5\% = \text{Award}$

$(\text{Student Budget} - \text{Expected Family Contribution}) \times \text{Student Award Percentage} = \text{Award}$

Maximum Award: \$1,000 Minimum Award: \$350

(See attached letter.)

Recommendation of the Executive Secretary

Agrees with the recommendation of President Clancy.

Formula Elements

2007-2008 Appropriation: This is unknown until the state budget is signed.

The 06-07 net appropriation is \$16,686,169

Current Formula:

$(\$8,000 - \text{EFC}) \times 12.5\% = \text{Award}$

$(\text{Student Budget} - \text{Expected Family Contribution}) \times \text{Student Award Percentage} = \text{Award}$

Maximum Award: \$1,000 Minimum Award: \$325

(See attached letter.)

Current Year Spending: All of the 2006-2007 funds will be spent. Awards were suspended November 21, 2006. No new awards have been processed since that time.

Applicants: There has been a slight increase in enrollment within the WTC System schools. It is anticipated that enrollment will continue to increase.

Tuition Increase: Tuition is expected to slightly increase.



February 28, 2007

Ms. Connie Hutchison
Executive Secretary
Higher Educational Aids Board
131 West Wilson Street
Madison, WI 53707-7885

Dear Secretary Hutchison:

I am submitting to you the Wisconsin Technical College System's recommendation for the 2007-2008 WHEG Grant formula. The formula was developed with the input of the college Financial Aid Administrators and Student Services Administrators.

2007-2008 WTCS WHEG FORMULA

Single Formula—Independent/Dependent

Student Budget	\$8,000
Award Percentage	12.5%
Maximum Award	\$1000
Minimum Award	\$350

Should additional funds become available, we would request the opportunity to modify this recommendation.

For 2007-2008, we recommend keeping the student budget used for the WHEG formula at \$8,000, though it does not reflect the complete picture of WTCS student costs, and the maximum award level for the neediest student at \$1,000. For the second straight year, we recommend increasing the minimum award level, this time from \$325 to \$350. In the current academic year, our WHEG funds were depleted in November 2006, and many eligible students applying later had no chance to receive WHEG assistance. By further raising the size of the minimum award, we hope to be able to help more students starting in the second semester.

The recommendation seeks to strike a balance between serving as many eligible students as possible and maintaining awards large enough to meaningfully help students become successful in their studies, a balance which is increasingly difficult to achieve. Additional resources for the WHEG program are badly needed, and I appreciate HEAB's efforts to increase the appropriation for WTCS WHEG funds.

Daniel Clancy, President

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Secretary Connie Hutchison

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Thank you for your staff's assistance in providing vital information for developing our recommendation. We are pleased to offer this recommendation for your consideration.

Sincerely,

A handwritten signature in cursive script that reads "Daniel Clancy".

Daniel Clancy

President

Wisconsin Technical College System