

DISCUSSION/ACTION
February 27, 2009

HIGHER EDUCATIONAL AIDS BOARD

BOARD REPORT #09-14

2009-10 WTG PROGRAM FORMULA

ALVERNO COLLEGE
BELOIT COLLEGE
CARDINAL STRITCH UNIVERSITY
CARROLL COLLEGE
CARTHAGE COLLEGE
CONCORDIA UNIVERSITY
EDGEWOOD COLLEGE
LAKELAND COLLEGE
LAWRENCE UNIVERSITY
MARIAN COLLEGE



MARQUETTE UNIVERSITY
MILWAUKEE INSTITUTE OF ART & DESIGN
MILWAUKEE SCHOOL OF ENGINEERING
MOUNT MARY COLLEGE
NORTHLAND COLLEGE
RIPON COLLEGE
ST. NORBERT COLLEGE
SILVER LAKE COLLEGE
VITERBO UNIVERSITY
WISCONSIN LUTHERAN COLLEGE

February 20, 2009

Connie Hutchison, Ph.D.
Executive Secretary
Higher Educational Aids Board
131 W. Wilson Street, Suite 902
Madison, WI 53702

Dear Dr. Hutchison:

As required by state statute, I am transmitting to you WAICU's recommendation for the Wisconsin Tuition Grant (WTG) formula for the 2009–2010 academic year. I understand that the Higher Educational Aids Board (HEAB) will consider this recommendation at its meeting on February 27th.

In developing this year's recommendation, WAICU remains committed to the principles that the WTG should contribute a meaningful portion of a student's overall financial aid package; that the neediest students should receive the greatest share of benefits under the program; and that the total allocation of WTG funding should be equitably distributed between independent and dependent students. It is the unanimous position of the WAICU Board (the presidents) that, over time, the grant maximum and the value of the average grant must increase.

Based on discussions with the WAICU Financial Aid Group and HEAB staff, it is my recommendation that HEAB update the formula factors to reflect column D, "1% INCREASE/116% OVER" on the attached page. This formula protects those students who currently qualify for an award. Consequently, we recommend no change in the minimum/maximum award levels, and minimal changes in the inflation factors.

I want to thank you and Mary Lou Kuzdas for meeting with me and the WAICU financial aid directors to discuss the WTG formula for 2009–2010. You, Mary Lou and the other HEAB staff continue to exemplify one of the most constructive working relationships between a state agency and a constituent group that I have ever experienced.

Should you have questions or concerns regarding the WAICU recommendations, please contact either me or Mr. Paul Nelson, WAICU Senior Vice President for Public Policy.

Best wishes . . .

Sincerely,

Rolf Wegenke, Ph.D.
President

Attachment: 2009–2010 Simulation

c: WAICU Presidents
WAICU Financial Aid Directors

	A	B	C	D
1	WAICU TUITION GRANT FORMULA RECOMMENDATION FOR 2009-2010			
2				
3	TUITION GRANT		12/2/2008	2/19/2009
4	DOLLARS COMMITTED		2008-2009	2009-2010 SIM
5			BASE CURRENT	1% INCREASE/116% over
6	DEPENDENTS	APPLICANTS	17,770	17,770
7		% OF APPLICANTS	65.93%	65.93%
8		AWARDS	7,445	6,673
9		% OF AWARDS	65.76%	61.24%
10		% ELIGIBLE	41.90%	37.55%
11		AVERAGE \$s	\$2,753	\$2,800
12		\$s COMMITTED	\$20,499,103	\$18,685,865
13			66.23%	61.16%
14				
15	INDEPENDENTS	APPLICANTS	9,181	9,181
16		% OF APPLICANTS	34.07%	34.07%
17		AWARDS	3,876	4,223
18		% OF AWARDS	34.24%	38.76%
19		%ELIGIBLE	42.22%	46.00%
20		AVERAGE \$S	\$2,697	\$2,810
21		\$s COMMITTED	\$10,452,946	\$11,866,563
22			33.77%	38.84%
23				
24	TOTALS	APPLICANTS	26,951	26,951
25		AWARDS	11,321	10,896
26		%ELIGIBLE	42.01%	40.43%
27		AVERAGE \$S	\$2,734	\$2,804
28		\$s COMMITTED	\$30,952,049	\$30,552,428
29			100.00%	100.00%
30	OVERAWARD		116.34%	116.00%
31		NUMBER OF STUDENTS	11,321	10,896
32		AVERAGE AWARD	\$2,734	\$2,804
33	Tuition Grant Factors			
34	UW Tuition		\$7,188	\$7,569
35	DEPENDENT STUDENT INFLATION FACTOR		311%	327%
36	INDEPENDENT STUDENT INFLATION FACTOR		673%	707%
37	Base Maintenance		\$10,807	\$11,347
38	MAX/MIN AWARD		2900/1000	2900/1000
39	FUNDING AVAILABLE		\$26,605,231	\$26,338,300
40				
41			Carryover of 527731	SCHOOL TUITIONS + 4.5
42			x codes in place	UW MADISON + 5
43			w codes 090408	INFLATION & BM + 5

**PROPOSED 2009-2010 FORMULAS
WISCONSIN TUITION GRANT**

**February 27, 2009
BOARD REPORT #09-14**

WISCONSIN TUITION GRANT

Introduction

HEAB administers the Wisconsin Tuition Grant which provides grants to students attending Wisconsin private, independent non-profit colleges and universities. Grants are awarded based on the economic needs of students. Grant recipients apply through the Federal Department of Education using the FAFSA. The Higher Educational Aids Board reviews and approves the Tuition Grant formula for the upcoming school year at its February/March meeting.

The structure of the WTG formula is outlined in the State Statutes. There are six steps in the formula, and awards are differentiated in the following manner between dependent and independent students. The current formula is included for review. (See Table 2)

Recommendations:

Recommendation of Wisconsin Association of Independent Colleges and Universities (WAICU) President Dr. Rolf Wegenke:

Maximum award: \$2,900

Minimum award: \$1,000

Inflation Factors: Dependent 327% Independent 707%

UW-Madison Tuition: \$7,569

Base Maintenance: \$11,347

The proposed formula is outlined in Dr. Rolf Wegenke's letter which is attached and is illustrated in Table 1 of this document.

Recommendation of the Executive Secretary

Agrees with the recommendation of Dr. Rolf Wegenke.

Other Information

2009-2010 Appropriation: \$26,338,300¹ per Governor's budget and subject to change

2008-2009 Appropriation: \$26,077,500

2007-2008 Appropriation: \$25,456,600

2006-2007 Appropriation: \$22,754,649

Current Year Spending: All of the 2007-2008 funds will be spent.

Applicants: As of February 11, 2009 there are 26,634 Tuition Grant applicants compared to 25,614 at this time last year. For all sectors we have 247,179 applicants for 07-08 and 239,097 for 06-07 thru the end of December.

Other Provisions: WTG is pro-rated: 50% award for 6-8 credits; 75% award for 9-11 credits; full award for 12 or more credits. WTG is also tuition specific and has a statutory over-committed maximum of 122%.

¹ The 2009 – 2010 appropriation is not final until the budget bill goes through the legislative process and is signed by the Governor.

**Wisconsin Tuition Grant
Recommended 2009-2010 Formula
Table 1**

		DEPENDENT	INDEPENDENT
STEP ONE	TUITION	10,200	10,200
	(Tuition is set by each school: \$10,200 is used as an example.)		
	- UW MADISON TUITION¹	7569	7569
	NET TUITION	2,631	2,631
STEP TWO	TUITION	10,200	10,200
	(insert actual tuition charged)		
	+ BASE MAINTENANCE²	11,347	11,347
	TOTAL COST	21,547	21,547
STEP THREE	NET TUITION	2,631	2,631
	DIVIDED BY TOTAL COST		
	FAMILY CONTRIBUTION PERCENTAGE	.1221	.1221
STEP FOUR	EXPECTED FAMILY CONTRIBUTION	100	100
	(Insert actual EFC ³)		
	X INFLATION FACTOR⁴	327%	707%
	ADJUSTED FAMILY CONTRIBUTION	327	707
STEP FIVE	ADJUSTED FAMILY CONTRIBUTION	327	707
	X FAMILY CONTRIBUTION PERCENTAGE		
	Tuition Offset	40	86
STEP SIX	NET TUITION	2,631	2,631
	- TUITION OFFSET		
	GRANT AMOUNT	2,591	2,545
	ACTUAL GRANT (MAXIMUM)	2,591	2,545
	MAXIMUM GRANT ⁵	2,900	2,900
	MINIMUM GRANT ⁶	1,000	1,000

¹ Previous year tuition at UW – Madison determined for TG purposes

² **Base Maintenance** is a number that is determined during the formula approval process.

³ **EFC** is the individual student data retrieved from the FAFSA.

⁴ **Inflation Factor** is similar to the Student Award Percentage in the WHEG formulas. This number can be manipulated during the formula approval process.

⁵ **Maximum Grant** is set during the formula approval process.

⁶ **Minimum Grant** is set during the formula approval process

**Wisconsin Tuition Grant
2008-2009 Formula
Table 1**

		DEPENDENT	INDEPENDENT
STEP ONE	TUITION	10,200	10,200
	(Tuition is set by each school: \$10,200 is used as an example.)		
	- UW MADISON TUITION¹	7,188	7,188
	NET TUITION	3,012	3,012
STEP TWO	TUITION	10,200	10,200
	(insert actual tuition charged)		
	+ BASE MAINTENANCE²	10,807	10,807
	TOTAL COST	21,007	21,007
STEP THREE	NET TUITION	3,012	3,012
	DIVIDED BY TOTAL COST		
	FAMILY CONTRIBUTION PERCENTAGE	0.1434	0.1434
STEP FOUR	EXPECTED FAMILY CONTRIBUTION	100	100
	(Insert actual EFC ³)		
	X INFLATION FACTOR⁴	311%	673%
	ADJUSTED FAMILY CONTRIBUTION	311	673
STEP FIVE	ADJUSTED FAMILY CONTRIBUTION	311	673
	X FAMILY CONTRIBUTION PERCENTAGE		
	TUITION OFFSET	45	96
STEP SIX	NET TUITION	3,012	3,012
	- TUITION OFFSET		
	GRANT AMOUNT	2,967	2916
	ACTUAL GRANT (MAXIMUM)	2,900	2,900
	MAXIMUM GRANT ⁵	2,900	2,900
	MINIMUM GRANT ⁶	1,000	1,000

¹ Previous year tuition at UW – Madison determined for TG purposes

² **Base Maintenance** is a number that is determined during the formula approval process.

³ **EFC** is the individual student data retrieved from the FAFSA.

⁴ **Inflation Factor** is similar to the Student Award Percentage in the WHEG formulas. This number can be manipulated during the formula approval process.

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