



**Office of the President**

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May 28, 2009

Connie Hutchison, Executive Secretary  
Higher Educational Aids Board  
131 W. Wilson Street, Suite 902  
PO Box 7885  
Madison, WI 53707-7885

Dear Executive Secretary Hutchison:

In part due to recent funding provided in the American Recovery and Reinvestment Act, Federal Pell Grant award maximums will increase by \$619 in 2009-10. Systemwide tuition increases for resident undergraduate students are expected to be significantly below each student's Pell Grant award increase.

During its meeting on April 29, 2009, the Legislature's Joint Committee on Finance (JFC) voted to provide \$55,000,000 in funding during 2009-10 for the Wisconsin Higher Education Grant program for University of Wisconsin students (WHEG-UW). This funding level reflects an \$8 million decrease from the 2009-10 WHEG-UW funding level that was provided in the Governor's budget, but maintains funding at its current 2008-09 level. In light of this decrease in anticipated funding, the UW System's WHEG Advisory Committee reconvened to discuss the 2009-10 WHEG formula that was previously approved by the Higher Educational Aids Board.

Based on the Advisory Committee's advice and the JFC's actions, my recommendation is that the 2009-10 formula be revised to distribute the grants using an equity level of \$5,960 and a rationing factor of 50%, with the maximum expected family contribution remaining at \$4,612. The maximum and minimum awards will both decrease by \$300 from the figures in the originally approved 2009-10 formula. This revised formula reflects a continuation of the 2008-09 formula for use into 2009-10, and is expected to result in approximately the same number of students receiving the same average award as in 2008-09.

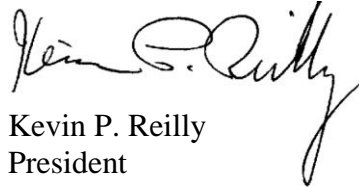
I would like to highlight the difficulty that this reduction in funding will cause for UW students. Given this level of funding and increased number of financial aid applicants, we understand that eligible students may be wait-listed as early as July or August 2009. Because many low-income and disadvantaged students are more likely to apply late, this early cut-off will result in many of the most financially-needy students not

Connie Hutchison  
May 28, 2009  
Page Two

receiving a WHEG award. In addition, due to the current economic climate, more students are applying for financial aid. Static funding from 2008-09 to 2009-10 means that a greater number of eligible students will not receive a WHEG award.

Thank you for working with UW System staff to develop this recommendation. I look forward to hearing your final decision after the Higher Educational Aids Board meets to consider this revision to the 2009-10 formula.

Sincerely,

A handwritten signature in black ink, appearing to read "Kevin P. Reilly", written in a cursive style.

Kevin P. Reilly  
President

Copy: Regent Bartell  
Chancellors  
Cabinet