



Office of the President

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February 18, 2010

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:

Thank you for the opportunity to comment on the Wisconsin Higher Education Grant (WHEG) formula. UW System's WHEG Advisory Committee met to discuss the current WHEG formula and to forward a recommendation for the 2010-11 funding formula for my approval.

Based on the Committee's advice and the 2010-11 Budget, my recommendation is that the 2010-11 formula distribute the grants using a budget of \$5,960 and a rationing factor of 43%, with a maximum expected family contribution of \$4,000. The maximum award will decrease from \$2,980 to \$2,563, with a minimum award of \$843. This is a decrease in the rationing factor from 50% used during most recent years, and reduces all awards. The minimum award under the proposed formula reflects an increase from \$674 in 2009-10.

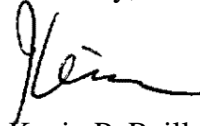
While never an easy task, the decision regarding a formula recommendation was especially difficult this year, as UW sought to balance the need to provide more grants to eligible students with the need to provide grants that are meaningful in value compared to the cost of college attendance. The proposed formula will provide awards to more students than in 2009-10 and allocate more aggregate WHEG dollars to those students with the most financial need. In addition, it is anticipated that this formula will move the date that awards are suspended and a waiting list implemented to approximately November 21st for 2010-11, which will allow students who apply for financial aid later in the process to receive a WHEG. I believe that the proposed formula strikes the difficult balance between funding as many eligible students as possible, while still providing grants in meaningful amounts that will allow access to UW for low-income students.

I would also like to highlight for the Board members the challenges that the current economy has presented to all Wisconsin students attending institutions of higher education. It comes as no surprise that students and their families have confronted job

losses, decreases in college savings, and numerous other challenges to financing their college education. These factors have combined to increase the need and demand for all financial aid programs, but especially those programs such as WHEG that provide aid to students with severe financial need. I look forward to working with the Board during the 2011-13 Budget process to secure additional funding for need-based financial aid.

Finally, I want to offer my appreciation to you and your staff for working with us to develop this recommendation. I look forward to hearing your final decision following the meeting of the Higher Educational Aids Board on February 26, 2010.

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