

DISCUSSION/ACTION
August 6, 2010

HIGHER EDUCATIONAL AIDS BOARD

BOARD REPORT #11-05

2011-2013 BIENNIAL BUDGET ISSUES

UNIVERSITY OF WISCONSIN SYSTEM

2011 – 2013 Biennial Budget Issues
University of Wisconsin System

UW WHEG Recommendation Summary:

(Please see the full UW recommendation and rationale in the letter and Board of Regents Resolution submitted by President Kevin Reilly on the following pages.)

- Request sufficient funding to increase the number of grants available through WHEG-UW, to ensure that all students receive the need-based financial aid for which they are eligible (specific dollar amounts to be determined by HEAB in collaboration with UW System Administration staff).
- Fund the WHEG-UW program to ensure that each WHEG recipient's award grows by at least the same dollar amount as the increase in undergraduate academic student fees (specific dollar amounts to be determined by HEAB in collaboration with UW System Administration staff).

Modify the statutory language linking WHEG to tuition increases:

- Advocate that the statutory language of the WHEG-UW program be modified to provide that each student's WHEG-UW award will increase by at least the same dollar amount as the dollar increase in undergraduate tuition, thereby granting a "dollar-for-dollar" hold harmless increase to eligible University of Wisconsin System students.



Office of the President

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July 1, 2010

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

Dear Board Chair Green and Executive Secretary Hutchison:

Enclosed with this letter please find a resolution adopted by the Board of Regents of the University of Wisconsin System at their June 2010 meeting. This resolution contains the recommendations for the Wisconsin Higher Education Grant (WHEG) program that the Board has requested be included in the Higher Educational Aids Board's (HEAB) 2011-13 budget.

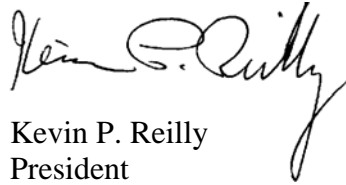
As you know, there is increased demand for need-based financial aid such as WHEG, as well as competing fiscal pressures on the state budget which can threaten potential funding increases for these programs. In 2009-10, a year in which no funding increase was provided for the WHEG-UW program, an estimated 7,400 eligible students did not receive a WHEG-UW award due to insufficient funding (estimated at more than \$17.8 million).

Therefore, the Board supports sufficient funding to increase the number of grants available through WHEG-UW, which will help to ensure that students receive the need-based financial aid for which they are eligible. The requested 2011-13 funding for the WHEG-UW program will help more students to access and complete a quality higher education, producing a more highly skilled and educated workforce. Additional college degrees, especially in the science, technology, engineering, and math (STEM) fields, are crucial for spurring innovation and entrepreneurial activity, both of which are critical for the future of Wisconsin. Ensuring that lower- and middle-income students can attain a college education is a key component in achieving this future.

In addition, the Board supports a request to fund the WHEG-UW program to ensure that each WHEG recipient's award grows by at least the same dollar amount as the increase in undergraduate academic student fees. This funding will allow the WHEG-UW program to provide a "dollar-for-dollar" hold harmless increase to eligible University of Wisconsin students. The Board believes that this funding is important for providing assurance to students that WHEG awards will maintain their value over time. The Board has recommended similar funding for the previous two biennial budgets.

Thank you for considering these proposals for inclusion in HEAB's 2011-13 biennial budget submission. If you have any questions regarding this request, please do not hesitate to contact my office.

Sincerely,

A handwritten signature in black ink, appearing to read "Kevin P. Reilly". The signature is fluid and cursive, with a large, sweeping flourish at the end.

Kevin P. Reilly
President

Enclosure

cc: Board of Regents
Chancellors
Cabinet
Larry Rubin, Associate Vice President

Resolution I.3.c., June 10, 2010
Financial Aid –2011-13 WHEG Funding Recommendation

WHEREAS, the Wisconsin Higher Education Grant program for University of Wisconsin students (WHEG-UW) is the primary state need-based financial aid program to assist low-income students in accessing and attaining a college education; and,

WHEREAS, increasing the number of Wisconsin residents with college degrees will help to secure the state's future civic and economic vitality; and,

WHEREAS, the Board of Regents is greatly concerned that individuals from lower and middle-income backgrounds are facing a future with fewer opportunities and greater economic uncertainty; and,

WHEREAS, the Board of Regents has made it a priority to increase opportunities for low- and middle-income students to participate in public higher education in Wisconsin; and,

WHEREAS, fiscal pressures, including increased unemployment, have reduced family incomes and greatly increased the demand for financial aid, especially in need-based programs such as WHEG-UW; and,

WHEREAS, Wisconsin ranks below the peer average in state grant awards per full time equivalent (FTE) undergraduate students and many students have increasingly relied on loans and personal debt to finance their college education; and,

WHEREAS, funding for WHEG-UW did not increase in 2009-10 and increased by \$3.3 million for 2010-11; and,

WHEREAS, the combination of flat funding and increased demand for WHEG-UW resulted in an estimated 7,400 eligible students not receiving a grant and an aggregate funding shortfall exceeding \$17.8 million in 2009-10; and,

WHEREAS, additional funding that increases each student's WHEG-UW award to match the change in tuition will help assure that students are not priced out of college due to increases in tuition and will assist families and students with their financial planning for higher education; and,

WHEREAS, additional funding that increases the number of grants available through WHEG-UW will help to ensure that more students receive the financial aid for which they are eligible; and,

WHEREAS, the Board of Regents has identified increased need-based financial aid as critical to securing Wisconsin's civic and economic future and the success of the Growth Agenda.

THEREFORE, BE IT RESOLVED that the Board requests that the statutory language of the WHEG-UW program be modified to provide that each student's WHEG-UW award will increase by at least the same dollar amount as the dollar increase in undergraduate tuition, thereby granting a "dollar-for-dollar" hold harmless increase to eligible University of Wisconsin System students.

Board Report
 #11-05
 UW Budget Request

WHEG-UW Hold Harmless for 2011-12 and 2012-13 (includes funding for statutory link)

	2010-11 GPR Funding	2011-12 Increase (\$)	2011-12 Funding	2012-13 Increase (\$)	2012-13 Funding	Biennial Funding
WHEG-UW	\$58,345,400	\$13,807,800	\$72,153,200	\$15,251,800	\$87,405,000	\$42,867,400