

DISCUSSION/ACTION
February 25, 2011

HIGHER EDUCATIONAL AIDS BOARD

BOARD REPORT #11-15

2011-12 WTG PROGRAM FORMULA

**PROPOSED 2011-2012 FORMULAS
WISCONSIN TUITION GRANT**

**February 25, 2011
Board Report #11-15**

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 (Free Application for Federal Student Aid). 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 Wisconsin State Statutes (39.30). There are six steps in the formula and grants are calculated differently for 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 340% Independent 740%

UW-Madison Tuition: \$9,515

Base Maintenance: \$10,800

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

Other Information

2010-2011 Appropriation: \$26,870,300

2009-2010 Appropriation: \$26,338,300

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

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

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

Current Year Spending: All of the 2010-2011 funds will be spent. Awards were suspended June 25, 2010.

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%.

**Wisconsin Tuition Grant
Recommended 2011-2012 Formula
Table 1**

| | | DEPENDENT | INDEPENDENT |
|-------------------|--|---------------|---------------|
| STEP ONE | TUITION | 11,200 | 11,200 |
| | (Tuition is set by each school: \$11,200 is used as an example.) | | |
| | - UW MADISON TUITION¹ | 9,515 | 9,515 |
| | NET TUITION | 1,685 | 1,685 |
| STEP TWO | TUITION | 11,200 | 11,200 |
| | (insert actual tuition charged) | | |
| | + BASE MAINTENANCE² | 10,800 | 10,800 |
| | TOTAL COST | 22,000 | 22,000 |
| STEP THREE | NET TUITION | 1,685 | 1,685 |
| | DIVIDED BY TOTAL COST | 22,000 | 22,000 |
| | FAMILY CONTRIBUTION PERCENTAGE | .0766 | .0766 |
| STEP FOUR | EXPECTED FAMILY CONTRIBUTION | 100 | 100 |
| | (Insert actual EFC ³) | | |
| | X INFLATION FACTOR⁴ | 340 | 740 |
| | ADJUSTED FAMILY CONTRIBUTION | 340 | 740 |
| STEP FIVE | ADJUSTED FAMILY CONTRIBUTION | 340 | 740 |
| | X FAMILY CONTRIBUTION PERCENTAGE | .0766 | .0766 |
| | TUITION OFFSET | 26 | 57 |
| STEP SIX | NET TUITION | 1,685 | 1,685 |
| | - TUITION OFFSET | 26 | 57 |
| | GRANT AMOUNT | 1,659 | 1,628 |
| | ACTUAL GRANT (MAXIMUM)⁵ | 1,659 | 1,628 |
| | MAXIMUM GRANT ⁶ | 2,900 | 2,900 |
| | MINIMUM GRANT ⁷ | 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 **Actual Grant**: This number will increase or decrease for each school when actual tuitions are used for calculations. \$10,200 is used as an example tuition to show how Tuition Grants are calculated.

⁶ **Maximum Grant** is set during the formula approval process.

⁷ **Minimum Grant** is set during the formula approval process

**Wisconsin Tuition Grant
2011-2012 Formula
Table 2**

| | | 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 | 8314 | 8314 |
| | NET TUITION | 1,886 | 1,886 |
| STEP TWO | TUITION | 10,200 | 10,200 |
| | (insert actual tuition charged) | | |
| | + BASE MAINTENANCE² | 11,800 | 11,800 |
| | TOTAL COST | 22,000 | 22,000 |
| STEP THREE | NET TUITION | 1,886 | 1,886 |
| | DIVIDED BY TOTAL COST | | |
| | | 22,000 | 22,000 |
| | FAMILY CONTRIBUTION PERCENTAGE | .0857 | .0857 |
| STEP FOUR | EXPECTED FAMILY CONTRIBUTION | 100 | 100 |
| | (Insert actual EFC ³) | | |
| | X INFLATION FACTOR⁴ | 340 | 740 |
| | ADJUSTED FAMILY CONTRIBUTION | 340 | 740 |
| STEP FIVE | ADJUSTED FAMILY CONTRIBUTION | 340 | 740 |
| | X FAMILY CONTRIBUTION PERCENTAGE | | |
| | | .0857 | .0857 |
| | TUITION OFFSET | 29 | 63 |
| STEP SIX | NET TUITION | 1,886 | 1,886 |
| | - TUITION OFFSET | | |
| | | 29 | 63 |
| | GRANT AMOUNT | 1,857 | 1,823 |
| | ACTUAL GRANT (MAXIMUM) | 1,857 | 1,823 |
| | 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

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



WISCONSIN'S PRIVATE COLLEGES WORKING TOGETHER TO ADVANCE EDUCATIONAL OPPORTUNITY

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 22, 2011

Ms. Sherrie Nelson
Acting Executive Secretary
Higher Educational Aids Board
131 W. Wilson Street, Suite 902
Madison, WI 53702

Dear Ms. Nelson,

As required by state statute, I am transmitting to you WAICU's recommendation for the Wisconsin Tuition Grant (WTG) formula for the 2011–2012 academic year. I understand that the Higher Educational Aids Board (HEAB) will consider this recommendation at its meeting on February 25th.

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 adopt "SIM 1" on the attached spreadsheet as the formula for the 2011–2012 academic year. Based on our consultations, this formula appears to offer the best approach to preserve the stability of the program and predictability of awards, consistent with our best guesses concerning available funding under the three funding scenarios posited by HEAB.

I want to thank you and Mary Lou Kuzdas for meeting with WAICU staff and the WAICU financial aid professionals in developing the formula. 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.

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ROLF WEGENKE, Ph.D.
President

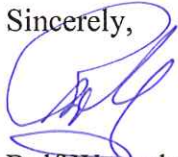
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Ms. Sherrie Nelson
February 22, 2011
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Should you have questions or concerns regarding the WAICU recommendations, please contact either me or Mr. Paul Nelson, WAICU Senior Vice President for Public Policy.

Best wishes . . .

Sincerely,



Rolf Wegenke, Ph.D.
President

Attachment: 2011–2012 Formula Simulation for Tuition Grant

c: WAICU Presidents
WAICU Financial Aid Group

**2011-2012 SIMMULATIONS
TUITION GRANT
DOLLARS COMMITTED**

| | | SIM ONE | SIM ONE | SIM ONE | SIM ONE |
|------------------------------|----------------------|-----------------|-----------------|------------------|------------------|
| | | 2011-2012 | EVEN | 5.5 + | lower 10% |
| | | W CODES REMOVED | 7/02/11 W codes | 8/2/2011 w codes | 5/3/2011 w codes |
| DEPENDENTS | APPLICANTS | 19,265 | 19,265 | 19,265 | 19,265 |
| | % OF APPLICANTS | 63.66% | 63.66% | 63.66% | 63.66% |
| | AWARDS | 10,466 | 9,855 | 10,121 | 9,138 |
| | % OF AWARDS | 60.09% | 67.75% | 65.92% | 71.78% |
| | % ELIGIBLE | 54.33% | 51.15% | 52.54% | 47.43% |
| | AVERAGE \$\$ | \$2,825 | \$2,826 | \$2,823 | \$2,829 |
| | \$\$ COMMITTED | \$29,569,965 | \$27,845,644 | \$28,571,451 | \$25,847,904 |
| | | 62.63% | 67.86% | 66.00% | 71.94% |
| INDEPENDENTS | APPLICANTS | 10,998 | 10,998 | 10,998 | 10,998 |
| | % OF APPLICANTS | 36.34% | 36.34% | 36.34% | 36.34% |
| | AWARDS | 6,950 | 4,692 | 5,232 | 3,592 |
| | % OF AWARDS | 39.91% | 32.25% | 34.08% | 28.22% |
| | %ELIGIBLE | 63.19% | 42.66% | 47.57% | 32.66% |
| | AVERAGE \$\$ | \$2,539 | \$2,811 | \$2,813 | \$2,807 |
| | \$\$ COMMITTED | \$17,644,149 | \$13,189,299 | \$14,719,586 | \$10,083,882 |
| | | 37.37% | 32.14% | 34.00% | 28.06% |
| TOTALS | APPLICANTS | 30,263 | 30,263 | 30,263 | 30,263 |
| | AWARDS | 17,416 | 14,547 | 15,353 | 12,730 |
| | %ELIGIBLE | 57.55% | 48.07% | 50.73% | 42.06% |
| | AVERAGE \$\$ | \$2,711 | \$2,821 | \$2,820 | \$2,823 |
| | \$\$ COMMITTED | \$47,214,114 | \$41,034,943 | \$43,291,037 | \$35,931,786 |
| | | 100.00% | 100.00% | 100.00% | 100.00% |
| | | 175.71% | 152.71% | 152.71% | 148.58% |
| OVERAWARD | | | | | |
| | NUMBER OF STUDENTS | 17,416 | 14,547 | 15,353 | 12,730 |
| | AVERAGE AWARD | \$2,711 | \$2,821 | \$2,820 | \$2,823 |
| Tuition Grant Factors | | | | | |
| | UW Tuition | \$9,515 | \$9,515 | \$9,515 | \$9,515 |
| Inflation Factors | | | | | |
| | Dependent students | 340% | 340% | 340% | 340% |
| | Independent students | 740% | 740% | 740% | 740% |
| Base Maintenance | | \$10,800 | \$10,800 | \$10,800 | \$10,800 |
| MAX/MIN AWARD | | 2900/1000 | 2900/1000 | 2900/1000 | 2900/1000 |
| | W CODES removed | \$26,870,300 | \$26,870,300 | \$28,348,166 | \$24,183,270 |
| | | | EVEN | INCREASE 5.5 | DECREASE 10% |