

**DISCUSSION/ACTION**  
**February 15, 2013**

**HIGHER EDUCATIONAL AIDS BOARD**

**BOARD REPORT #13-16**

**2013-14 WHEG - UWS PROGRAM FORMULA**



**Office of the President**

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February 6, 2013

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

Via Electronic Mail

Dear Executive Secretary Reinemann:

Thank you for the opportunity to forward the University of Wisconsin System's recommendation on the Wisconsin Higher Education Grant (WHEG) formula. UW System's WHEG Formula Advisory Committee met to discuss the current WHEG formula and has submitted a recommendation for the 2013-14 funding formula for my approval.

Based on the Committee's advice, my recommendation is that the 2013-14 formula distribute the grants using a budget of \$5,960 and a rationing factor of 39%, with a maximum expected family contribution of \$4,000. Compared to the formula used to award grants during 2012-13, grant amounts will decrease 2.5% in order to provide awards to more students. The maximum award will decrease from \$2,384 to \$2,324, with a minimum award of \$764. The minimum award under the proposed formula reflects a decrease from \$784 in 2012-13, and the proposal also reflects a decrease in the rationing factor from the 40% used during 2012-13.

This decline reflects a continued, and significant, move away from the historic approach of the WHEG award covering 50% of tuition for students with the most financial need, and reflects the fact that WHEG funding has not kept pace with the concomitant rises in the number of eligible students and financial need. However, we recommend this step in order to address the more than 5,350 eligible students who were wait-listed in 2011-12 and did not receive an award.

In addition, we will continue to use the institutional allocation approach that was initially implemented during 2011-12. For 2013-14, we are proposing that grants be provided to students at UW System institutions in proportion to the latest year (2011-12) of Pell Grants received for \$4,000 EFC and below at each UW institution, rather than the previously used two-year average. This revision will better reflect the distribution of WHEG-eligible students across the UW System institutions.

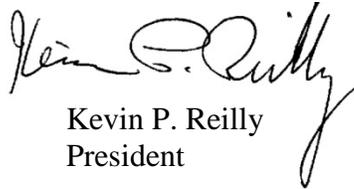
While we are hopeful for additional WHEG Funding in the 2013-15 Biennial Budget to address the substantial unmet need, the proposed 2013-14 formula will provide awards to more students and continue to focus WHEG dollars on those students with the most financial need. I

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 help low-income students access a world-class UW education.

I must point out again this year that these changes, including the reduction in award amounts in order to provide grants to additional eligible students, all of whom have significant financial need, are necessitated by the continuing insufficient funding for the state need-based financial aid programs. I look forward to working with the Higher Educational Aids Board during the 2013-15 budget process to secure the additional, critically needed funding for need-based financial aid that is required in order to fully fund the commitment that the state has made to low-income students.

Finally, I want to offer my appreciation to you and the HEAB 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 15, 2013.

Sincerely,

A handwritten signature in black ink, appearing to read "Kevin P. Reilly". The signature is fluid and cursive, with a long, sweeping tail on the final letter.

Kevin P. Reilly  
President

Copy: Regents  
Chancellors  
Cabinet  
Financial Aid Officers  
Timothy Rindahl, Student Representative on HEAB Board

**PROPOSED 2013-2014 FORMULA  
WISCONSIN HIGHER EDUCATION GRANT  
UNIVERSITY OF WISCONSIN SYSTEM**

**February 15, 2013  
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**Recommendation of the University of Wisconsin System President Kevin Reilly:**

**(\$5960 – EFC) x 39% = Award**

(Student Budget – Expected Family Contribution) x Student Award Percentage = Award

**Maximum Award: \$2,324    Minimum Award: \$764**

Other Information

2013-2014 Appropriation: \$58,345,400

2012-2013 Appropriation: \$58,345,400

2011-2012 Appropriation: \$58,345,400

2010-2011 Appropriation: \$58,345,400

2009-2010 Appropriation: \$55,000,000

2008-2009 Appropriation: \$55,000,000

**Current Formula - 1213:**

(\$5,960 – EFC) x 40% = Award

(Student Budget – Expected Family Contribution) x Student Award Percentage = Award

**Maximum Award: \$2,384    Minimum Award: \$784**

**Current Year Spending:** All of the 2012-2013 funds will be spent.