

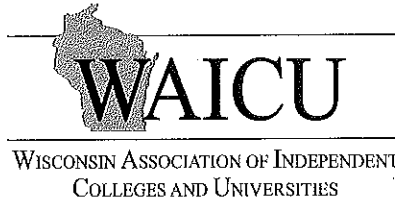
DISCUSSION/ACTION
February 14, 2014

HIGHER EDUCATIONAL AIDS BOARD

BOARD REPORT #14-07

2014-15 WTG PROGRAM FORMULA

ALVERNO COLLEGE
BELLIN COLLEGE
BeloIT COLLEGE
CARDINAL STRITCH UNIVERSITY
CARROLL UNIVERSITY
CARTHAGE COLLEGE
COLUMBIA COLLEGE OF NURSING
CONCORDIA UNIVERSITY
EDGEWOOD COLLEGE
LAKELAND COLLEGE
LAWRENCE UNIVERSITY
MARIAN UNIVERSITY



MARQUETTE UNIVERSITY
MEDICAL COLLEGE OF WISCONSIN
MILWAUKEE INSTITUTE OF ART & DESIGN
MILWAUKEE SCHOOL OF ENGINEERING
MOUNT MARY UNIVERSITY
NORTHLAND COLLEGE
RIPON COLLEGE
ST. NORBERT COLLEGE
SILVER LAKE COLLEGE OF THE HOLY FAMILY
VITERBO UNIVERSITY
WISCONSIN LUTHERAN COLLEGE

WISCONSIN'S PRIVATE, NONPROFIT COLLEGES AND UNIVERSITIES
WORKING TOGETHER TO ADVANCE EDUCATIONAL OPPORTUNITY

January 24, 2014

Mr. John Reinemann
Executive Secretary
Higher Educational Aids Board
131 W. Wilson Street, Suite 902
Madison, WI 53702

Dear Mr. Reinemann,

As required by state statute, I am transmitting to you WAICU's recommendation for the Wisconsin Tuition Grant (WTG) formula for the 2014-2015 academic year. I understand that the Higher Educational Aids Board (HEAB) will consider this recommendation at its meeting on February 14, 2014.

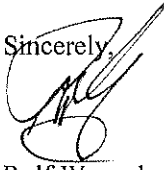
In developing this year's recommendation, WAICU remains committed to the principles that the WTG should contribute a meaningful portion of a student's overall financial aid package; that the neediest students should receive the greatest share of benefits under the program; and that the total allocation of WTG funding should be equitably distributed between independent and dependent students.

Based on discussions with the WAICU Financial Aid Directors Group and HEAB staff, it is my recommendation that HEAB adopt the 2014-15 option on the attached spreadsheet as the formula for the 2014-2015 academic year. Based on our consultations, this formula appears to offer the best approach to "do no harm" to current WTG recipients, and preserve the stability of the program and predictability of awards, consistent with our best estimates concerning available funding. Furthermore, this option predicts the smallest estimated impact on the balance of dependent and independent student recipients resulting from the biennial budget appropriation reduction of \$1 million from 2013-14 to 2014-15.

I want to thank Sherrie Nelson and Deanna Schultz for meeting with WAICU staff and the WAICU financial aid professionals in developing the formula. 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.

Should you have questions or concerns regarding the WAICU recommendations, please contact either me or Ms. Wendy Wink, WAICU Executive Vice President.

Sincerely,


Rolf Wegenke, Ph.D.
President

Attachment: WAICU Formula Recommendation for the 2014-2015 Tuition Grant

C: WAICU Presidents
WAICU Financial Aid Directors Group

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President

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Wisconsin Tuition Grant,
2014-2015 Recommendation
January 24, 2014

WAICU Formula
Recommendation

		2013-2014, with the \$27,870,300 appropriation	UW Tuit \$10,402 Dep/Ind 340%/740% Base Main \$8,500 Max/Min \$2900/\$1000 \$ 26,870,300
W CODES		6/1/2013	5/11/2013
DEPENDENTS	APPLICANTS	19,082	19,082
	% OF APPLICANTS	64.53%	64.53%
	AWARDS	9,352	9,204
	% OF AWARDS	65.63%	67.17%
	% ELIGIBLE	49.01%	48.23%
	AVERAGE \$s	\$ 2,827	\$ 2,835
	\$s COMMITTED	\$ 26,438,546	\$ 26,097,260
INDEPENDENTS	APPLICANTS	10,489	10,489
	% OF APPLICANTS	35.47%	35.47%
	AWARDS	4,898	4,499
	% OF AWARDS	34.37%	32.83%
	%ELIGIBLE	46.70%	42.89%
	AVERAGE \$\$	\$ 2,825	\$ 2,829
	\$s COMMITTED	\$ 13,836,561	\$ 12,727,172
TOTALS	APPLICANTS	29,571	29,571
	AWARDS	14,250	13,703
	%ELIGIBLE	48.19%	46.34%
	AVERAGE \$\$	\$ 2,826	\$ 2,833
	\$s COMMITTED	\$ 40,275,107	\$ 38,824,432
OVERAWARD GRANT FACTORS		144.5%	144.5%
	UW Tuition	\$ 10,385	\$ 10,402
	Dependent students	340%	340%
	Independent students	740%	740%
	Base Maintenance	\$ 9,500	\$ 8,500
	Maximum Award	\$ 2,900	\$ 2,900
	Minimum Award	\$ 1,000	\$ 1,000
	\$ 27,870,300	\$ 26,870,300	

**PROPOSED 2014-2015 FORMULAS
WISCONSIN TUITION GRANT**

**February 14, 2014
Board Report #14-07**

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: \$10,402

Base Maintenance: \$8,500

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:

2014-2015 Appropriation: \$26,870,300

2013-2014 Appropriation: \$27,870,300

2012-2013 Appropriation: \$26,870,300

2011-2012 Appropriation: \$26,870,300

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

2009-2010 Appropriation: \$26,388,300

Current Year Spending: All of the 2013-2014 funds will be spent. Awards were suspended June 29, 2013.

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 2014-2015 Formula
Table 1**

		DEPENDENT	INDEPENDENT
STEP ONE	TUITION	14,000	14,000
	(Tuition is set by each school: \$14,000 is used as an example.)		
	- UW MADISON TUITION¹	10,402	10,402
	NET TUITION	3,598	3,598
STEP TWO	TUITION	14,000	14,000
	(insert actual tuition charged)		
	+ BASE MAINTENANCE²	8,500	8,500
	TOTAL COST	22,500	22,500
STEP THREE	NET TUITION	3,598	3,598
	DIVIDED BY TOTAL COST	22,500	22,500
	FAMILY CONTRIBUTION PERCENTAGE	.1599	.1599
STEP FOUR	EXPECTED FAMILY CONTRIBUTION	1500	1500
	(Insert actual EFC ³)		
	X INFLATION FACTOR⁴	340	740
	ADJUSTED FAMILY CONTRIBUTION	5,100	11,100
STEP FIVE	ADJUSTED FAMILY CONTRIBUTION	5,100	11,100
	X FAMILY CONTRIBUTION PERCENTAGE	.1599	.1599
	TUITION OFFSET	815	1775
STEP SIX	NET TUITION	3,598	3,598
	- TUITION OFFSET	815	1,775
	GRANT AMOUNT	2,783	1,823
	ACTUAL GRANT (MAXIMUM)⁵	2,783	1,823
	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. \$14,000 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
2013-2014 Formula
Table 2**

		DEPENDENT	INDEPENDENT
STEP ONE	TUITION	14,000	14,000
(Tuition is set by each school: \$14,000 is used as an example.)			
	- UW MADISON TUITION¹	10,385	10,385
	NET TUITION	3,615	3,615
STEP TWO	TUITION	14,000	14,000
(insert actual tuition charged)			
	+ BASE MAINTENANCE²	9,500	9,500
	TOTAL COST	23,500	23,500
STEP THREE	NET TUITION	3,615	3,615
	DIVIDED BY TOTAL COST	23,500	23,500
	FAMILY CONTRIBUTION PERCENTAGE	.1538	.1538
STEP FOUR	EXPECTED FAMILY CONTRIBUTION	1500	1500
(Insert actual EFC ³)			
	X INFLATION FACTOR⁴	340	740
	ADJUSTED FAMILY CONTRIBUTION	5,100	11,100
STEP FIVE	ADJUSTED FAMILY CONTRIBUTION	5,100	11,100
	X FAMILY CONTRIBUTION PERCENTAGE	.1538	.1538
	TUITION OFFSET	784	1,707
STEP SIX	NET TUITION	3,615	3,615
	- TUITION OFFSET	784	1,707
	GRANT AMOUNT	2,831	1,908
	ACTUAL GRANT (MAXIMUM)⁵	2,831	1,908
	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.

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