

**DISCUSSION/ACTION**  
**February 14, 2014**

**HIGHER EDUCATIONAL AIDS BOARD**

**BOARD REPORT #14-10**

**2014-15 WHEG - UWS PROGRAM FORMULA**



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January 27, 2014

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 2014-15 funding formula for my approval.

Based on the Committee's advice and given that there is no change in the amount of financial aid funding that will be available through this program, my recommendation is that the 2014-15 formula distribute the grants using the same formula from 2013-14. This formula uses a budget of \$5,960 and a rationing factor of 39%, with a maximum expected family contribution of \$4,000. The maximum award will remain \$2,324, with a minimum award of \$764.

This approach continues to fall short of 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 moved in this direction as a means of providing critical financial assistance to the 5,096 eligible students who were wait-listed in 2012-13 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 2014-15, we are proposing that grants continue to be provided to students at UW System institutions in proportion to the latest year (2012-13) of Pell Grants received for \$4,000 EFC and below at each UW institution. At this time, this allocation methodology best mirrors the distribution of WHEG-eligible students across the UW System institutions.

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 UW education. While we are hopeful for increased WHEG funding in the upcoming 2015-17 Budget that will help to reduce the waiting list of eligible

students who are unable to receive an award as well as increase award amounts, maintaining the current formula uses the scarce resources in the most effective manner.

I must point out that the continued use of the 2013-14 formula is necessitated by the continuing insufficient funding for the state need-based financial aid program. I look forward to working with the Board during the upcoming 2015-17 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 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 14, 2014.

Sincerely,

A handwritten signature in black ink that reads "Richard Telfer". The signature is written in a cursive, slightly slanted style.

Richard Telfer  
Interim President

Copy: Tracy Hribar, Regent Representative on HEAB  
Randall McCready, Financial Aid Representative on HEAB  
Timothy Rindahl, Student Representative on HEAB  
Regents  
Chancellors  
Cabinet  
Financial Aid Officers

**PROPOSED 2014-2015 FORMULA  
WISCONSIN HIGHER EDUCATION GRANT  
UNIVERSITY OF WISCONSIN SYSTEM**

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**Recommendation of the University of Wisconsin System President :**

**(\$5960 – EFC) x 39% = Award**

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

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

Other Information

2014-2015 Appropriation: \$58,345,400

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

**Current Formula - 1314:**

**(\$5,960 – EFC) x 39% = Award**

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

**Maximum Award: \$2,384    Minimum Award: \$764**

**Current Year Spending:** All of the 2013-2014 funds will be spent.