

DISCUSSION/ACTION
February 19, 2016

HIGHER EDUCATIONAL AIDS BOARD

BOARD REPORT #16-11

2016-17 WISCONSIN GRANT - UWS PROGRAM FORMULA

**PROPOSED 2016-2017 FORMULA
WISCONSIN GRANT
UNIVERSITY OF WISCONSIN SYSTEM**

**February 19, 2016
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Recommendation of the University of Wisconsin System President :

(\$5960 – EFC) x 40% = Award

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

Maximum Award: **\$2,384** Minimum Award: **\$584**

Other Information:

2016-2017 Appropriation: \$58,345,400

2015-2016 Appropriation: \$58,345,400

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

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

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

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

Current Formula - 1516:

(\$5,960 – EFC) x 39% = Award

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

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

Current Year Spending: All of the 2015-2016 funds will be spent.



Office of the President

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February 2, 2016

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

Dear Executive Secretary Reinemann:

Thank you for the opportunity to forward the University of Wisconsin System's recommendation on the Wisconsin Grant formula. UW System Financial Aid Directors have submitted a recommendation for the 2016-17 funding formula for my approval.

My recommendation is that the 2016-17 formula distribute the grants using a slightly changed formula from 2015-16. This formula uses a budget of \$5,960 and a rationing factor of 40%, with a maximum expected family contribution of \$4,500. The maximum award will increase 3% to \$2,384, with a minimum award of \$584. This recommendation reflects the Financial Aid Directors' and UW System officials' advice, and reflects a gradual decrease in the waiting list.

This approach continues to fall short of the historic approach of the Wisconsin Grant award covering 50% of tuition for students with the most financial need, and reflects the fact that Wisconsin Grant funding has not kept pace with the concomitant rises in the number of eligible students and financial need. The UW System made the decision several years ago to address the waiting list by decreasing the amount of awards from a maximum of \$2,980 in 2009-10 to \$2,324 in 2015-16, and decreasing the maximum EFC from \$4,612 to \$4,000. This recommendation takes a small step in our goal to return to 2009-10 levels.

With the slight change in Wisconsin Grant formula, we have made a parallel change to the institutional allocation approach that was initially implemented during 2011-12. For 2016-17, we are proposing that grants continue to be provided to students at UW System institutions in proportion to the latest year (2014-15) of Pell Grants received for \$4,500 EFC and below at each UW institution. This allocation methodology best mirrors the distribution of Wisconsin Grant eligible students across the UW System institutions.

The Wisconsin Grant formula continues to strike 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. We believe the current formula uses the scarce resources in the most effective manner.

I must point out that the recommended 2016-17 formula reflects the continuing insufficient funding for the state need-based financial aid program. I look forward to working with the HEAB Board as we prepare for the 2017-19 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 their hard work and support of the Wisconsin Grant Program. I look forward to hearing your final decision following the meeting of the Higher Educational Aids Board on February 19, 2016.

Sincerely,

A handwritten signature in black ink that reads "Ray Cross". The signature is written in a cursive, flowing style.

Ray Cross
President

CC: Regents
Chancellors
Cabinet
Financial Aid Officers
Jacob Lubenow, Student Representative on HEAB Board