

DISCUSSION/ACTION
July 24, 2020

HIGHER EDUCATIONAL AIDS BOARD

BOARD REPORT #21-03

2021-2023 BIENNIAL BUDGET ISSUES

**WISCONSIN ASSOCIATION OF INDEPENDENT COLLEGES AND
UNIVERSITIES**

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



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

MARQUETTE UNIVERSITY
MEDICAL COLLEGE OF WISCONSIN
MILWAUKEE INSTITUTE OF ART & DESIGN
MILWAUKEE SCHOOL OF ENGINEERING
MOUNT MARY UNIVERSITY
NASHOTAH HOUSE
NORTHLAND COLLEGE
RIPON COLLEGE
ST. NORBERT COLLEGE
VITERBO UNIVERSITY
WISCONSIN LUTHERAN COLLEGE

July 24, 2020

Steve Willett, Chair
Connie Hutchison, Executive Secretary
Higher Education Aids Board
4822 Madison Yards Way
Seventh floor
Madison, WI 53705

Dear Mr. Willett and Dr. Hutchison:

Thank you for including the Wisconsin Association of Independent Colleges and Universities (WAICU's) recommendation for student aid funding in the Higher Educational Aids Board's (HEAB) 2021-23 state biennial budget request. WAICU's recommendation for the private, nonprofit appropriation and supporting information is presented below.

COVID-19 Impact on Students

The impact of the COVID-19 (coronavirus) health pandemic on all sectors of the economy has been profound. Colleges and universities and their students have been particularly hard hit. Based on surveys of WAICU institutions, we estimate the collective impact on WAICU members will exceed \$245,000,000. The toll of this economic distress is most clearly illustrated by the fact that one of our member colleges is closing its doors on August 29. In order to keep students safe, those who had homes were sent home; room and board were refunded. Students who had nowhere else to go or who could not return home remained on campus. The entire curriculum was moved online. Classrooms, dormitories and dining halls, and performance and athletic facilities are being reconfigured and deep cleaned to facilitate social distance. Faculty and staff have been furloughed or laid off and academic programs and the academic calendar restructured. The pandemic has triggered unemployment and a recession. Students and their families are facing financial hardship, raising questions about whether they will return in the fall or achieve their college and career aspirations.

We are profoundly grateful for the funds received from the Federal CARES Act and dollars allocated by Governor Evers. In particular, we appreciate the emergency grants to support students during this difficult time. It is important, when considering state student aid funding, to note that these federal

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emergency grants were made to the students and in no way were restricted to educational expenses such as tuition, books, etc. The funds, for example, could be used to replace a flat tire so students could get to work. Unfortunately, even with the increase in these additional federal CARES Act funds, the need of students and their families remain great not only for our most needy students but for students that are now experiencing economic hardship through parental job loss combined with their own inability to acquire gainful summer employment.

The Workforce Crisis Continues

While the pandemic has taken a toll on colleges and universities and students, workforce shortages remain. To develop a competitive economy, it is imperative Wisconsin continues its focus on increasing the educational attainment of the state's population. Sixty-two percent of the projected jobs for 2020 required postsecondary education. In 2040, almost one-quarter of Wisconsin's population will be age 65 or older. Without concrete, scalable action, Wisconsin will increasingly fall behind in the race to develop a qualified workforce. To address the current and looming talent shortfall and to get our economy back on track, Wisconsin needs to act now and embrace policies that enhance college attainment and increase educational opportunity for all Wisconsin citizens, particularly the growing numbers who would otherwise would not have the opportunity due to financial limitations. Investing in aid directly to students is a proven and targeted strategy for Wisconsin. Wisconsin Grants are a well-established vehicle for expanding opportunity. By expanding state grant aid targeted to those, who, without help, would not attend a college or university, Wisconsin will expand its qualified workforce. State spending on need-based aid also helps ensure that low-income students who enter colleges emerge with a degree and helps them keep their debt at manageable levels.

State Spending on Wisconsin Grants

Given the continued need to address critical statewide workforce shortages, it is time that Wisconsin takes the necessary and important step of improving its national ranking on student aid. Our state continues to rank behind both our neighbors and the nation when it comes to student aid funding. Total grant funding per capita in Wisconsin is below the national average. The average size of the grant per student is also below the national average. Wisconsin is not only below the national average; it also is not a leader in the Midwest, ranking behind Minnesota and Indiana in both of these measurements.

Recommendation for Wisconsin Grant Private, Non-Profit

At the Federal level, during discussions of the Senate Health, Education, Labor and Pensions Committee, testifying college and university Presidents spoke to the increased support required by students to ensure they persist to graduation. During those discussions, it was urged that Congress consider doubling the Pell Grant. I recommend that the Wisconsin Grants for the private, nonprofit sector also be doubled. The current grant maximum is \$3,500. Doubling that number brings it to \$7,000. The maximum grant goes to the students with the greatest need. The grants for students not receiving the maximum would also be doubled. This would increase the total annual appropriation by \$28,504,600.

Wisconsin cannot afford to lose a generation of students and employers cannot lose a generation of graduates. I also recommend the appropriations be sum sufficient for all sectors (WAICU, WTCS, and UW).

WAICU Value Proposition for Wisconsin

WAICU members do not receive direct operating support from taxpayers as do public institutions. WAICU members do, however, do their part. Two-thirds of the grant aid distributed to students enrolled in Wisconsin's private colleges are private funds raised by the institutions themselves. WAICU members educate over 52,000 students each year and graduate 23 percent of the state's bachelor's degrees and 35 percent of the state's graduate degrees. Additionally, students attending WAICU members have an outstanding four-year graduation rate. In fact, a student attending a WAICU institution has a 63 percent better chance of graduating in four-years attending a WAICU institution than if they attended a public institution. The Wisconsin Grant program for the private, nonprofit sector provides a significant return on investment for the State of Wisconsin.

Additionally, our member campuses provide \$500 million in institutional support for student aid on an annual basis. WAICU members have "skin in the game" to support our students.

A Note on the Process

I am grateful to the HEAB staff and the board for their courtesy and insightful advice as WAICU formulated our budget recommendation. WAICU also supports requests by the UW System, the Wisconsin Technical College System, and the tribal colleges. WAICU has a long-standing policy of supporting low-income students attending the institution that is the best fit for them. WAICU embraces the state's long-standing policy, established by HEAB in 1968, that taxpayer funded student aid be equitably allocated to Wisconsin students with documented need attending a Wisconsin public, or private, nonprofit college or university.

If I can answer any questions or be of further assistance, please contact me.

Sincerely,



Rolf Wegenke, Ph.D.
President

C: WAICU Presidents
WAICU Financial Aid Officers