



State of Wisconsin Higher Educational Aids Board

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Scott Walker
Governor

John Reinemann
Executive Secretary

September 15, 2014

Mr. Michael Heifetz, State Budget Director
Department of Administration
101 East Wilson Street
Box 7864
Madison WI 53707-7864

Dear Director Heifetz:

Enclosed are documents outlining requests which pertain to programs administered by the Higher Educational Aids Board. These documents are submitted for consideration in the creation of the 2015-2017 Biennial Budget.

These requests pertain to increases sought by the University of Wisconsin Board of Regents, the Wisconsin Technical College System Board, and the Wisconsin Association of Independent Colleges and Universities (WAICU) for the grant programs administered by HEAB. In addition to increased appropriations, HEAB seeks a link between the amount being appropriated and the projected rise in tuition at the pertinent schools; this aspect of the request is also covered in these documents. The HEAB Board has endorsed these recommendations from the state's academic sectors.

The academic sectors made these recommendations in the belief that the significant level of unmet financial need facing Wisconsin students is a challenge that must be met. Because unmet need is in some ways a concept unique to the world of higher education, these documents explain the calculations and assumptions used by the sectors when they made these recommendations to the HEAB Board.

Debate about educational opportunity, the amount of unmet need in the state, and the appropriate resource commitment to meeting that unmet need, are all reflected in these recommendations. Because of the policy aspect to these requests, we have elected to submit them to you in this format. Again, these requests have been endorsed by the HEAB Board and they constitute the recommendations and requests of the Higher Educational Aids Board.

An additional document enclosed details a recommendation from the Wisconsin Technical College System Board and the Wisconsin Association of Independent Colleges and Universities (WAICU) for increased funding for the Minority Undergraduate Retention Grant.

We also seek additional IT programming resources in order to better meet the challenges facing HEAB as we administer these programs. The need for these resources is tied to the larger need for increased support for HEAB programs and so we are submitting this request here.

Finally, HEAB requests consideration towards an increase to meet an anticipated rise in participation in the Wisconsin Covenant program. As with the other requests, these requests touch on the desired role of our programs and related public policy questions about the programs; accordingly they are being submitted along with the requests for our other programs.

I look forward to discussing these requests with you. Please let me know if you have any questions.

Sincerely,

A handwritten signature in black ink, reading "John Reinemann". The signature is fluid and cursive, with the first name "John" written in a larger, more prominent script than the last name "Reinemann".

John Reinemann,
Executive Secretary

Cc: Nathan Schwanz, Dept of Administration
Sara Hynek, Dept of Administration

WISCONSIN GRANT – UNIVERSITY SYSTEM
WHITE PAPER FOR 2015-2017 BIENNIAL BUDGET REQUEST

The Higher Educational Aids Board would like to request an increase of \$6,382,696 in FY 2015-2016 and an additional \$2,223,206 in FY 2016-17; a total increase in GPR funding of \$14,988,598; as was approved by the Board in its July 30, 2014 Board meeting. Therefore, the total 2015-16 appropriation funding would be \$64,728,096 and the total 2016-17 appropriation funding \$66,951,302. In President Cross letter of June 24, 2014 he states, “the requested 2015-17 funding for the Wisconsin Grant UW program will help more students to access and complete a quality higher education, producing a more highly skilled and educated workforce. In 2013-14, the combination of level funding and increased student financial need resulted in an estimated 3,581 eligible students not receiving a Wisconsin Grant -UW award.”

Included is the GPR funding request for the Wisconsin Grant – UW system appropriation.



ASSOCIATED STUDENTS of MADISON

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Commission

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Emily Kurtz
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Elizabeth Cain
Recruitment & Retention

John Reinemann

Executive Secretary, Higher Education Aids Board

PO Box 7885

Madison, WI 53707-7885

August 6, 2014

Dear Secretary Reinemann,

Higher education in the State of Wisconsin has seen a dramatic increase in cost over the last several years. These costs are especially difficult for hard-working Wisconsin families who have struggled to afford college. As you know, students at University of Wisconsin System institutions who demonstrate financial need may be eligible for a need-based financial aid grant via the newly renamed Wisconsin Grant.

An increase in need-based financial aid available to students is long overdue. The amount of need-based financial aid funding available from the state has remained stagnant despite increased UW System enrollment, inflation, and greater demand for aid caused by lower family incomes that are a result of the recent recession. These circumstances, paired with a decrease in the amount of GPR per student for higher education, have contributed to an enormous and unsustainable financial burden for Wisconsin students.

The Higher Educational Aids Board voted to approve the UW System sector budget request to increase the Wisconsin Grant-UW by more than \$6 million for the 2015-2016 biennium. This funding would provide grants to the current wait list of eligible students who would not otherwise receive grants. While this situation would still leave the individual grant amounts far below the cost of attendance at any UW institution, it would ensure that every student eligible for the grant has access to it.

Given these facts, the Associated Students of Madison asks that you forward the HEAB-approved Wisconsin Grant-UW increases to the Department of Administration for consideration. As we all know, need-based financial aid plays a vital role in ensuring the efficacy of the Wisconsin Idea in how the UW System serves the State of Wisconsin.

Sincerely,

Genevieve Carter, ASM Chair

Derek Field, ASM Vice Chair

Tom Gierok, ASM Legislative Affairs Chair

WISCONSIN GRANT – UNIVERSITY REQUEST FOR 2015-16 AND 2016-17

	2015-16 GPR Funding	2015-16 Increase (\$)	2015-16 Funding	2016-17 Increase (\$)	2016-17 Funding	Biennial Funding
Wisconsin Grant - University	58,345,400	6,382,696	64,728,096	8,605,902	66,951,302	14,988,598

WISCONSIN GRANT – TECHNICAL COLLEGES

WHITE PAPER FOR 2015-2017 BIENNIAL BUDGET REQUEST

The Higher Educational Aids Board would like to request an increase of \$37.4 million in FY 2015-2016 and an additional \$37.4 million in FY 2016-17; a total increase in GPR of \$74.8 million; as was approved by the Board in its July 30, 2014 Board meeting. In a letter dated July 17th, 2014 from Drew Petersen, President of the Wisconsin Technical College System Board and Morna Foy, President of the Wisconsin Technical College System note that state funding for the WI Grant – Technical College (formerly Wheg-Technical Colleges) students have not met demand in several years. In the 2013-14 academic year nearly 37,000 students did not receive their Wisconsin grant award which they were eligible for because the appropriation would not cover the needed funds.

Included is the GPR funding request for the Wisconsin grant - Technical colleges appropriation.

WISCONSIN GRANT – TECHNICAL COLLEGES REQUEST FOR 2015-16 AND 2016-17

	2015-16 GPR Funding	2015-16 Increase (\$)	2015-16 Funding	2016-17 Increase (\$)	2016-17 Funding	Biennial Funding
Wisconsin Grant - Technical Colleges	18,797,900	37,400,000	56,197,900	37,400,000	93,597,900	74,800,000

WISCONSIN GRANT – PRIVATE NON-PROFIT

WHITE PAPER FOR 2015-2017 BIENNIAL BUDGET REQUEST

The Higher Educational Aids Board would like to request an increase of \$7,382,696 in FY 2015-2016 and an additional \$2,223,206 million in FY 2016-17; a total increase in GPR of \$16,988,598; as was approved by the Board in its July 30, 2014 Board meeting. This request was arrived at by applying the recommended UW tuition increase of 5.5 percent and also including the same methodology by the UW system and passed by the UW Board of Regents to incorporate a catch up provision. State funding for the Wisconsin Grant – Private non-profit (WI Grant – PNP) (formerly Tuition Grant) for non-profit college students has not met demand in several years. In the 2013-14 academic year the Wisconsin Grant- PNP had 30,721 applicants but only 12,594 students received awards because of lack of funding. On June 1, 2013 funds for the WI Grant - PNP were fully committed and we created wait lists for students. Additional funds were released to students who had filed their FAFSA (Free Application for Federal Student Aid), by September 8, 2013 because of students dropping out or a change in their status.

In addition, WAICU recommends a statutory change that links WTG funding increases to UW tuition increases.

Also included is the GPR funding request for the Wisconsin Grant - PNP colleges appropriation.

WISCONSIN GRANT – PRIVATE NON-PROFIT REQUEST FOR 2015-16 AND 2016-17

	2014-15 GPR Funding	2015-16 Increase (\$)	2015-16 Funding	2016-17 Increase (\$)	2016-17 Funding	Biennial Funding
TUITION GRANT	26,870,300	7,382,696	34,252,996	9,605,902	36,476,202	16,988,598

WISCONSIN COVENANT SCHOLARS GRANT

WHITE PAPER FOR 2015-2017 BIENNIAL BUDGET REQUEST

The Higher Educational Aids Board would like to request an increase of \$7,000,000 GPR for the Wisconsin Covenant Scholars Grant to continue to fund the scholars already in the program and to fund the fourth cohort or scholars that have just graduated. The increase would comprise of an additional \$3,000,000 in FY 2015-2016 and an additional \$4,000,000 in FY 2016-1. We are assuming that because of the increased familiarity with the program and the marketing that the number of seniors that are confirmed for the program will increase with each year.

WISCONSIN COVENANT SCHOLARS GRANT

REQUEST FOR 2015-16 AND 2016-17

	2014-15 GPR Funding	2015-16 Increase (\$)	2015-16 Funding	2016-17 Increase (\$)	2016-17 Funding	Biennial Funding
Wisconsin Covenant Scholars Grant	12,170,000	3,000,000	15,170,000	4,000,000	16,120,000	7,000,000

MINORITY UNDERGRADUATE RETENTION GRANT – PRIVATE and TECHNICAL COLLEGES

WHITE PAPER FOR 2015-2017 BIENNIAL BUDGET REQUEST

The Higher Educational Aids Board would like to request an increase of \$137,500 GPR for the Minority Undergraduate Retention Grant. The increase would comprise of an additional \$45,000 in FY 2015-2016 and an additional \$92,500 in FY 2016-17. The proposed increase was approved by the Board in its July 30, 2014 Board meeting. A portion of this proposed 5.5% increase in each year of the biennium also includes a catch – up provision to cover the increasing financial need of students due to the recession.

MINORITY UNDERGRADUATE RETENTION GRANT – PRIVATE and TECHNICAL COLLEGES
REQUEST FOR 2015-16 AND 2016-17

	2014-15 GPR Funding	2015-16 Increase (\$)	2015-16 Funding	2016-17 Increase (\$)	2016-17 Funding	Biennial Funding
Minority Undergraduate Retention Grant	819,000	45,000	864,000	92,500	911,500	137,500

***The Minority Undergraduate grant's base funding for 2014-15 is \$819,000 – the appropriation is divided equally between the Technical and Independent Colleges.**

REQUEST FOR PROGRAMMER POSITION

WHITE PAPER FOR 2015-2017 BIENNIAL BUDGET

The Higher Educational Aids Board requests 1 FTE programmer position to support our grant programs. During the past few years we have taken on additional programs and have not received any additional funding to support or maintain the technological portion of our operation. We currently have seventeen grants and loan programs that our one programmer is responsible for. In addition, we also have agreements with Department of Public Instruction, Fund for Wisconsin Scholars and Great Lakes Higher Education Corporation to obtain information for these entities as an on needed basis and this requires additional programming expertise. We receive requests from the UW research department and the universities for data that requires a program to be written to provide that data. For the last few years we have had problems keeping up with our daily duties because of the increased workload for our programmer. This doesn't let us accomplish our mission in a timely manner and puts additional stress on the universities and students of Wisconsin who are trying to complete their education.

In the 2014-2015 academic year the U.S. Dept. of Education changed the format width of several data fields. This has caused a tremendous amount of work because the field that was adjusted had to do with the expected family contribution, and various adjusted gross income fields. All of this data is interconnected and so it isn't just one program that needs rewriting but at least four because they are all synced together and one relies on the other for the correct information. With the changes in technology and the need for additional programming as is required for each academic year much of the day to day maintenance is not being accomplished and then when changes occur it delays our day to day processing. Delays experienced in the transfer of HEAB funds to students have the potential to affect timely and efficient cash flows within the campuses serving students who receive our grants. This not only has an impact on the schools, but the students may incur a delay in receiving their financial aid.

We are providing a cost breakdown on the following page and if you have any questions please feel free to contact us.

HEAB PROGRAMMER POSITION REQUEST FOR 2015-16 AND 2016-17

	Adjusted Base	2014-15 Increase	2014-15 Funding	2015-16 Increase	2015-16 Funding	Biennial Funding
Salary	499,100	38,300	537,400	51,100	588,500	89,400
Fringe	187,600	16,800	204,400	22,500	226,900	39,300
Supplies and Services	248,200	7,000	255,200	3,500	258,700	10,500