

DISCUSSION/ACTION
February 17, 2012

HIGHER EDUCATIONAL AIDS BOARD

BOARD REPORT #12-07

2012-13 WTG PROGRAM FORMULA

**PROPOSED 2012-2013 FORMULAS
WISCONSIN TUITION GRANT**

**February 17, 2012
Board Report #12-07**

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: \$9,672

Base Maintenance: \$10,500

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

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

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

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

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

2008-2009 Appropriation: \$26,077,500

2007-2008 Appropriation: \$25,456,600

Current Year Spending: All of the 2011-2012 funds will be spent. Awards were suspended April 28, 2011.

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 2012-2013 Formula
Table 1**

		DEPENDENT	INDEPENDENT
STEP ONE	TUITION	11,200	11,200
(Tuition is set by each school: \$11,200 is used as an example.)			
	- UW MADISON TUITION¹	9,672	9,672
	NET TUITION	1,528	1,528
STEP TWO	TUITION	11,200	11,200
(insert actual tuition charged)			
	+ BASE MAINTENANCE²	10,500	10,500
	TOTAL COST	21,700	21,700
STEP THREE	NET TUITION	1,528	1,528
	DIVIDED BY TOTAL COST	21,700	21,700
	FAMILY CONTRIBUTION PERCENTAGE	.0704	.0704
STEP FOUR	EXPECTED FAMILY CONTRIBUTION	100	100
(Insert actual EFC ³)			
	X INFLATION FACTOR⁴	340	740
	ADJUSTED FAMILY CONTRIBUTION	340	740
STEP FIVE	ADJUSTED FAMILY CONTRIBUTION	340	740
	X FAMILY CONTRIBUTION PERCENTAGE	.0704	.0704
	TUITION OFFSET	24	52
STEP SIX	NET TUITION	1,528	1,528
	- TUITION OFFSET	24	52
	GRANT AMOUNT	1,504	1,476
	ACTUAL GRANT (MAXIMUM)⁵	1,504	1,476
	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. \$11,200 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
2011-2012 Formula
Table 2**

		DEPENDENT	INDEPENDENT
STEP ONE	TUITION	11,200	11,200
(Tuition is set by each school: \$11,200 is used as an example.)			
	- UW MADISON TUITION¹	9,515	9,515
	NET TUITION	1,685	1,685
STEP TWO	TUITION	11,200	11,200
	(insert actual tuition charged)		
	+ BASE MAINTENANCE²	10,800	10,800
	TOTAL COST	22,000	22,000
STEP THREE	NET TUITION	1,685	1,685
	DIVIDED BY TOTAL COST	22,000	22,000
	FAMILY CONTRIBUTION PERCENTAGE	.0766	.0766
STEP FOUR	EXPECTED FAMILY CONTRIBUTION	100	100
	(Insert actual EFC ³)		
	X INFLATION FACTOR⁴	340	740
	ADJUSTED FAMILY CONTRIBUTION	340	740
STEP FIVE	ADJUSTED FAMILY CONTRIBUTION	340	740
	X FAMILY CONTRIBUTION PERCENTAGE	.0766	.0766
	TUITION OFFSET	26	57
STEP SIX	NET TUITION	1,685	1,685
	- TUITION OFFSET	26	57
	GRANT AMOUNT	1,659	1,628
	ACTUAL GRANT (MAXIMUM)⁵	1,659	1,628
	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.

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

WISCONSIN'S PRIVATE COLLEGES WORKING TOGETHER TO ADVANCE EDUCATIONAL OPPORTUNITY

February 8, 2012

Mr. John Reinemann
Executive Director
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 2012–2013 academic year. I understand that the Higher Educational Aids Board (HEAB) will consider this recommendation at its meeting on February 17, 2012.

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; that, to the degree possible, students who have been receiving the WTG continue to do so; and that the total allocation of WTG funding should be as equitably distributed between independent and dependent students as possible. It is the unanimous position of the WAICU Board (the presidents) that, over time, the grant maximum and the value of the average grant must increase.

Based on discussions with the WAICU Financial Aid Group and HEAB staff, it is my recommendation that HEAB adopt "SIM 1" on the attached spreadsheet as the formula for the 2012–2013 academic year. Based on our consultations, this formula appears to offer the best approach to preserve the stability of the program and predictability of awards, consistent with our best estimates concerning available funding under the three funding scenarios posited by HEAB.

I want to thank you, Sherrie Nelson, and Deanna Schulz for meeting with WAICU staff and the WAICU financial aid professionals in developing the formula. You, Sherri, Deanna and the other 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.

Mr. John Reinemann
February 8, 2012
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Should you have questions or concerns regarding the WAICU recommendations, please contact either me or Ms. Wendy Wink, WAICU Executive Vice President.

Best wishes . . .

Sincerely,

A handwritten signature in blue ink, appearing to read 'Rolf Wegenke', written over a horizontal line.

Rolf Wegenke, Ph.D.
President

Attachment: 2012–2013 Formula Simulation for Tuition Grant

c: WAICU Presidents
WAICU Financial Aid Group
Ms. Sherrie Nelson, HEAB
Ms. Deanna Schulz, HEAB

Wisconsin Tuition Grant Simulations, 2012-2013
January 27, 2012 - Revised

	BASE (with 11/29/11 apps)	SIM ONE (with 11/29/11 apps)	SIM TWO (with 11/29/11 apps)	SIM THREE (with 11/29/11 apps)	SIM FOUR (with 11/29/11 apps)
	UW Tuition: \$9,515 BM \$10,800 D: 340%; I: 740% Max \$2,900	UW Tuition: \$9,672 BM \$10,500 D: 340%; I: 740% Max \$2,900	UW Tuition: \$9,672 BM \$10,643 D: 340%; I: 740% Max \$2,900	UW Tuition: \$9,672 BM \$10,500 D: 340%; I: 740% Max \$3,000	UW Tuition: \$9,672 BM \$10,643 D: 340%; I: 740% Max \$3,000
	W CODES 4/28/11	W Codes 4/24/12	W Codes 4/23/12	W Codes 4/15/12	W Codes 4/15/12
DEPENDENTS					
APPLICANTS	19,424	19,424	19,424	19,424	19,424
% OF APPLICANTS	63.45%	63.45%	63.45%	63.45%	63.45%
AWARDS	9,052	9,100	9,100	8,884	8,883
% OF AWARDS	68.08%	68.65%	68.67%	69.23%	69.24%
% ELIGIBLE	46.60%	46.85%	46.85%	45.74%	45.73%
AVERAGE \$s	\$2,815	\$2,825	\$2,826	\$2,917	\$2,918
\$s COMMITTED	\$25,481,537	\$25,707,913	\$25,715,243	\$25,914,628	\$25,920,594
INDEPENDENTS					
APPLICANTS	11,189	11,189	11,189	11,189	11,189
% OF APPLICANTS	36.55%	36.55%	36.55%	36.55%	36.55%
AWARDS	4,244	4,156	4,152	3,949	3,946
% OF AWARDS	31.92%	31.35%	31.33%	30.77%	30.76%
% ELIGIBLE	37.93%	37.14%	37.10%	35.29%	35.27%
AVERAGE \$s	\$2,809	\$2,815	\$2,814	\$2,910	\$2,910
\$s COMMITTED	\$11,920,842	\$11,697,298	\$11,685,661	\$11,491,590	\$11,482,860
TOTALS					
APPLICANTS	30,613	30,613	30,613	30,613	30,613
AWARDS	13,296	13,256	13,252	12,833	12,829
% ELIGIBLE	43.43%	43.30%	43.29%	41.92%	41.91%
AVERAGE \$s	\$2,813	\$2,821	\$2,822	\$2,915	\$2,916
\$s COMMITTED	\$37,402,379	\$37,405,211	\$37,400,904	\$37,406,218	\$37,403,454
% DOLLAR OVERAWARD	139.20%	139.21%	139.19%	139.21%	139.20%
MAX/MIN AWARD	\$2,900/\$1,000	\$2,900/\$1,000	\$2,900/\$1,000	\$3,000/\$1,000	\$3,000/\$1,000
APPROPRIATION	\$26,870,300	\$26,870,300	\$26,870,300	\$26,870,300	\$26,870,300