

DISCUSSION/ACTION
August 3, 2012

HIGHER EDUCATIONAL AIDS BOARD

BOARD REPORT #13-05

2013-2015 BIENNIAL BUDGET ISSUES

UNIVERSITY OF WISCONSIN SYSTEM



Office of the President

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June 27, 2012

Mary Jo Green, Chair
John Reinemann, Executive Secretary
Higher Educational Aids Board
PO Box 7885
Madison, WI 53707-7885

Via Electronic Mail

Dear Board Chair Green and Executive Secretary Reinemann:

Enclosed with this letter please find a resolution adopted by the Board of Regents of the University of Wisconsin System at their June 2012 meeting. This resolution contains the recommendations for the Wisconsin Higher Education Grant (WHEG) program that the Board has requested be included in the Higher Educational Aids Board's (HEAB) 2013-15 biennial budget.

As you know, while the 2011-13 Budget provided no funding increase for WHEG, there is increased demand for need-based financial aid by University of Wisconsin System students. In 2010-11, the combination of level funding and increased student financial need resulted in an estimated 8,500 eligible students not receiving a WHEG-UW award due to insufficient funding (estimated at more than \$18.9 million).

Therefore, the Board supports sufficient funding to provide the statutory link to tuition for both the 2011-13 and 2013-15 biennia, which will help to ensure that students receive the need-based financial aid for which they are eligible. This request seeks to ensure that the state fulfills its commitment to students that need-based financial aid through the WHEG program will keep pace with necessary and modest increases in tuition. The requested funds will allow a significant increase in the number of students receiving a WHEG and reflect a first step toward ensuring that all students will receive the need-based financial aid for which they are eligible.

The requested 2013-15 funding for the WHEG-UW program will help more students to access and complete a quality higher education, producing a more highly skilled and educated workforce. Additional college degrees, especially in the science, technology, engineering, and math (STEM) fields, are crucial for spurring innovation and entrepreneurial activity, both of which are critical for the future of Wisconsin. Ensuring that lower- and middle-income students can attain a college education is a key component in achieving this future.

Thank you for considering these proposals for inclusion in HEAB's 2013-15 biennial budget submission. If you have any questions regarding this request, please do not hesitate to contact my office.

Sincerely,

A handwritten signature in black ink, appearing to read "Kevin P. Reilly".

Kevin P. Reilly
President

**WISCONSIN HIGHER EDUCATION GRANT FOR UW STUDENTS:
RECOMMENDATION FOR 2013-15 BIENNIUM**

The following resolution was adopted on a unanimous voice vote by the UW System Board of Regents on June 7, 2012:

WHEREAS, the Wisconsin Higher Education Grant program for University of Wisconsin students (WHEG-UW) is the primary state need-based financial aid program to assist low-income students in accessing and attaining a college education; and,

WHEREAS, increasing the number of Wisconsin residents with college degrees will help to secure the state's future civic and economic vitality; and,

WHEREAS, by 2018, 61% of all jobs in Wisconsin will require some postsecondary training; and,

WHEREAS, studies continue to find that a college education still produces the best return for the investment over a lifetime; and,

WHEREAS, the Board of Regents has made it a priority to increase opportunities for low- and middle-income students to participate in public higher education in Wisconsin; and,

WHEREAS, the Board of Regents has also made it a priority to maintain access and affordability for all Wisconsin students and families; and,

WHEREAS, Wisconsin ranks below the peer average in state grant awards per full time equivalent (FTE) undergraduate students and many students have increasingly relied on loans and personal debt to finance their college education; and,

WHEREAS, the State Legislature and Governor have indicated that access for low-income students and the impact of financial aid for ensuring that a college education remains affordable are important performance measures for the University of Wisconsin; and,

WHEREAS, a "statutory link" in state law (section 39.435, Wis. Stats.) provides that funding for WHEG-UW will increase by the same percentage as undergraduate tuition; and,

WHEREAS, funding for WHEG-UW did not increase in the 2011-13 biennium; and,

WHEREAS, the combination of flat funding and increased demand for WHEG-UW resulted in an estimated 8,500 eligible students not receiving a grant and an aggregate funding shortfall exceeding \$18.9 million in 2010-11; and,

WHEREAS, additional funding that increases the number of grants available through WHEG-UW will help to ensure that more students receive the financial aid for which they are eligible; and,

WHEREAS, the Board of Regents has identified increased need-based financial aid as critical to securing Wisconsin's civic and economic future and the success of the *Growth Agenda for Wisconsin*,

THEREFORE, BE IT RESOLVED that the Board of Regents requests that the 2013-15 Budget provide sufficient funding to uphold the statutory commitment that funding for WHEG-UW increase at the same percentage as resident undergraduate tuition and to restore funding for the "statutory link" between tuition and WHEG-UW funding that was not provided for 2011-13.