

DISCUSSION/ACTION
October 22, 2021

HIGHER EDUCATIONAL AIDS BOARD

BOARD REPORT #22-15

2022-23 WISCONSIN GRANT-PNP PROGRAM FORMULA

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

October 20, 2021

Connie Hutchison, Ph.D., Executive Secretary
Higher Educational Aids Board
4822 Madison Yards Way, Seventh Floor
P.O. Box 7885
Madison, WI 53707-7885

Dear Dr.  Hutchison,

As directed by Wisconsin statute, I am submitting my recommendation for the Wisconsin Grants funding formula for low-income Wisconsin students attending private, nonprofit colleges and universities. The Wisconsin Grant is designed to assist Wisconsin's neediest students and allow them the opportunity to choose the institution that is best suited for them and where they will find the greatest level of success. WAICU's mission is "working together for educational opportunity." We believe that all Wisconsin students who are academically qualified deserve the opportunity to get a quality education. Wisconsin's workforce also depends on increasing educational attainment. It is estimated that 62 percent of all jobs will require a postsecondary credential. Unfortunately, we are lagging behind with only 54.7 percent of Wisconsinites having such a credential.

For the 2022-23 academic year, I recommend the maximum grant be set at \$3,800 and the minimum award be set at \$500. The increase in the maximum grant provides an increase for those students with the greatest financial need, a top priority of the WAICU Presidents. Financial need has increased because of the economic consequences of the pandemic. I recommend that the inflation factor in our formula be set at 320 percent for dependent students and the inflation factor for independent students be set at 600 percent. (Formula recommendation attached.) Adjusting these factors will allow more students to receive a grant.

WAICU members do not receive direct operating support from state taxpayers as do public institutions. WAICU members do, however, provide over \$690 million annually in privately raised dollars in grants and scholarships directly to students. WAICU members educate more than 54,000 students each year and graduate 24 percent of the state's bachelor's degrees and 35 percent of the state's graduate degrees. The Wisconsin Grant program for the private, nonprofit sector provides a significant return on investment for the State of Wisconsin. Additionally, WAICU members enroll more low-income students at 31 percent considered low-income as compared to 24 percent at four-year public institutions. Wisconsin Grants Private, Nonprofit is the state's investment in low-income student's career aspirations and economic mobility.

WAICU remains committed to the long-held principles that the Wisconsin Grants 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; and that the total allocation of the Wisconsin Grants appropriation should be distributed equitably among independent and dependent students. The need of students and their families remain great not only for our most needy students, but for students who are now experiencing economic hardship through job loss or inability to gain employment.

As always, should circumstances change going forward, I reserve the right to again recommend modification in the formula. WAICU is also exploring ways to improve the Wisconsin Grants formula to ensure the formula is meeting the changing needs of today's student population and examining the impact created by changes to the Expected Family Contribution (EFC) calculation and other factors on the Free Application for Federal Student Aid (FAFSA) at the federal level. WAICU is also advocating that the Higher Educational Aids Board receive additional needed resources to carry out their important work for students.

I want to thank you and the HEAB staff, particularly Sherrie Nelson and Joy Dyer, for working with WAICU staff and WAICU Financial Aid Directors in developing the formula and examining the possible results. HEAB staff consistently promote a positive and constructive working relationship as they work with limited agency budget resources. WAICU staff, WAICU-member financial aid directors, and I sincerely appreciate their tireless dedication, responsiveness and professionalism.

Should you have questions or concerns regarding this WAICU recommendation, please contact me or Ms. Rebecca Larson, WAICU Senior Vice President for Advocacy.

Sincerely,



Rolf Wegenke, Ph.D.
President

C: WAICU Presidents
WAICU Financial Aid Directors Group

Attachment

WG-PNP FORMULA FACTORS FOR 2022-23	WAICU Recommendation October 2021
UW Tuition	\$10,720
Base Maintenance	\$12,000
Dependent Inflation Factor	320%
Independent Inflation Factor	600%
Maximum Award	\$3,800
Minimum Award	\$ 500