

ACTION
August 29, 2024

HIGHER EDUCATIONAL AIDS BOARD
BUDGET RECOMMENDATIONS #25-01
UW Colleges



August 23, 2024

Robert Bode, Chair
Tammie DeVooght Blaney, Executive Director
Higher Educational Aids Board
Via Electronic Mail

Dear Board Chair Bode and Executive Director DeVooght:

Enclosed with this letter please find a resolution adopted by the Board of Regents of the Universities of Wisconsin at their August 22-23, 2024, meeting. This resolution contains the recommendation for the Wisconsin Grant-UW program that the Board has requested be included in the Higher Educational Aids Board's (HEAB) 2025-27 biennial budget submission.

Total state funding for the Wisconsin Grant-UW program is \$61,894,100 annually. In the 2023-25 biennial budget, state funding for the Wisconsin Grant-UW program remained flat at the 2018-19 level. Since 2009-10 the number of students eligible for Wisconsin Grant-UW has increased from 25,624 in 2009-10 to 27,773 in 2022-23, an increase of 11 percent. To provide financial aid through the Wisconsin Grant to the growing population of eligible students, the Universities of Wisconsin had been unable to increase award amounts to individual recipients due to statutory restraints.

The FAFSA Simplification Act, as part of the federal Consolidated Appropriations Act, 2021, changes the Expected Family Contribution (EFC) generated on the Federal Application for Student Aid (FAFSA) to a Student Aid Index (SAI) starting in award year 2024-25. This change will result in an increase in the number of students with Wisconsin Grant eligibility.

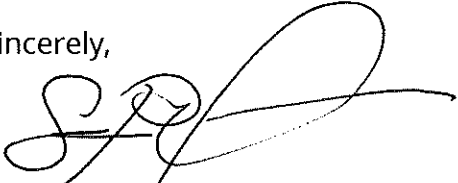
In addition, 2023 Wisconsin Act 80 removed the statutory cap on the maximum Wisconsin Grant, allowing the Universities of Wisconsin to increase awards to better accomplish its goal of funding 50 percent of the average cost of tuition and fees at the comprehensive universities.

The Universities of Wisconsin seek an additional \$13,500,000 ongoing funding in 2025-26 to recognize the federal legislation that will result in more students being eligible for the Wisconsin Grant and to allow for a maximum award amount of at least 50 percent of the average cost of tuition and fees at the comprehensive universities for all eligible students.

The requested 2025-27 funding for the Wisconsin Grant program will help more students access and complete a quality higher education program, producing a more highly skilled and educated workforce. Additional resources for the Wisconsin Grant program will also help address student debt and affordability, two areas of growing concern to the citizens of Wisconsin.

Thank you for considering this proposal for inclusion in HEAB's 2025-27 biennial budget request. 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 'SPN', with a large, sweeping flourish extending to the right.

Sean P. Nelson, Vice President
Division of Finance and Administration
Universities of Wisconsin Administration

Thursday, August 22, 2024

**APPROVAL OF THE 2025-27 UNIVERSITIES OF WISCONSIN BIENNIAL
OPERATING BUDGET AND FINANCIAL AID REQUEST**

REQUESTED ACTION

Adoption of Resolution K. Approval of the 2025-27 Biennial Budget and Financial Aid Request

Resolution K. That, upon the recommendation of the President of the Universities of Wisconsin, the Board of Regents approves the submission of:

- (1) the Board's 2025-27 Biennial Operating Budget request, totaling \$457,279,000 in ongoing funds and \$855,143,000 biennially in General Purpose Revenue (GPR) for key initiatives;
- (2) the Wisconsin Veterinary Diagnostic Lab's request for additional positions and equity salary adjustments totaling approximately \$785,800 in ongoing funds and \$1,571,600 biennially;
- (3) the Wisconsin Grant-UW request to the Higher Educational Aids Board for inclusion in its 2025-27 biennial budget request totaling \$13,500,000 in ongoing funds and \$27,500,000 biennially; and
- (4) statutorily required performance measures for 2023-25.

In addition, the Board of Regents delegates authority to the UW President to approve and submit a 0% and 5% biennial budget reduction plan, as required by 2015 WI Act 201, and standard budget adjustments for items such as fringe benefits should it be determined they are necessary.

SUMMARY

The UW System Board of Regents is required to submit a budget request to the Department of Administration (DOA) by September 15 of each even numbered year. The UW President provides the Regents, for their consideration, a recommended submission at the August meeting in the same even numbered year.

The 2025-27 biennial budget request includes General Purpose Revenue (GPR) to get the Universities of Wisconsin up to the middle of national public funding support for its four-year universities. The latest State Higher Education Executive Officers Association (SHEEO)

analysis of public higher education financing, reflecting both state support and tuition, shows that Wisconsin currently ranks 43rd out of 50 states in public funding to support its four-year universities. It is estimated that an ongoing \$457 million is needed to move Wisconsin up to the middle.

To reduce the reliance on tuition and remain committed to affordable higher education in the State of Wisconsin, this budget request, if enacted, would allow the Universities of Wisconsin to keep resident undergraduate tuition flat throughout for the 2025-26 and 2026-27 academic years. The majority of additional positions requested in this budget are student-facing, in support of the Universities of Wisconsin's strategic plan.

The request includes funding for standard budget adjustments and initiatives that support increasing affordability, preserving accessibility, developing talent, ensuring quality, and investing in innovation. The request also includes items for the Wisconsin Veterinary Diagnostic Laboratory (WVDL) which requires Board approval as it is administratively attached to UW-Madison. Lastly, the budget includes forwarding a request to the state's Higher Educational Aids Board (HEAB) to increase Wisconsin Grant funding to recognize federal legislation that will result in more students being eligible for the grant and to allow for a maximum award to increase up to approximately 50% of the average tuition and fees at a UW comprehensive university.

Presenter

- Sean P. Nelson, Vice President for Finance and Administration

Related Policies

- Chapter 16.42, Wis. Stats.
- Chapter 36, Wis. Stats.
- Chapter 230, Wis. Stats.
- Regent Policy Document 20-21, University Personnel Systems

ATTACHMENTS

- A) The University of Wisconsin System, "2025-27 Universities of Wisconsin Biennial Operating Budget and Financial Aid Request, August 2024"