

ACTION
August 29, 2024

HIGHER EDUCATIONAL AIDS BOARD
BUDGET RECOMMENDATIONS #25-02
Technical Colleges



Dr. Morna K. Foy, President
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August 22, 2024

Robert Bode, Chair
Tammie DeVooght, Executive Secretary
Higher Educational Aids Board
PO Box 7885
Madison, WI 53707-7885

Dear Chair Bode and Executive Secretary Tammie DeVooght,

On behalf of the Wisconsin Technical College System (WTCS) Board and students across the state, we request the Higher Educational Aids Board (HEAB) seek additional grant funding for the WTCS Wisconsin Grant Program. We urge HEAB to include this request as part of its 2025-27 biennial budget proposal submitted to the Wisconsin Department of Administration.

The Wisconsin Grant program, the state's largest needs-based financial aid initiative, is crucial for helping students pursue higher education and improve their career prospects. In the 2023-24 fiscal year, the Wisconsin Grant program for WTCS students faced its first waiting list in over a decade. In addition to the waitlist, all funding for the 2023-24 Academic year was expended and \$3 million was borrowed from the next fiscal year to cover the committed awards. The shortfall and waitlist are based on the increased financial needs of WTCS students, leading to larger grant awards and a projected larger waitlist for the 2024-25 fiscal year due to changes in the federal financial need formula.

The WTCS Board realizes that HEAB, like all state agencies, will likely seek to exercise restraint in its 2025-27 biennial budget request. At the same time, we cannot ignore the financial needs of our students and the important role of WTCS graduates in improving the state's long-term economic health.

Therefore, to address the immediate need for additional student financial aid resources, the WTCS Board respectfully asks that the HEAB 2025-27 budget request include the following:

\$10.8 million in each year of the biennium to meet the projected waitlist of students and to meet the increase in award amounts based on the rising financial need of WTCS students.

Thank you for considering our request and for your commitment to helping WTCS students.

Sincerely,

A handwritten signature in black ink, appearing to read "Morna K. Foy".

Dr. Morna K. Foy,
President
Wisconsin Technical College System

Issue: Wisconsin Grants - Technical Colleges – Meeting the Need of Wisconsin Technical College Students

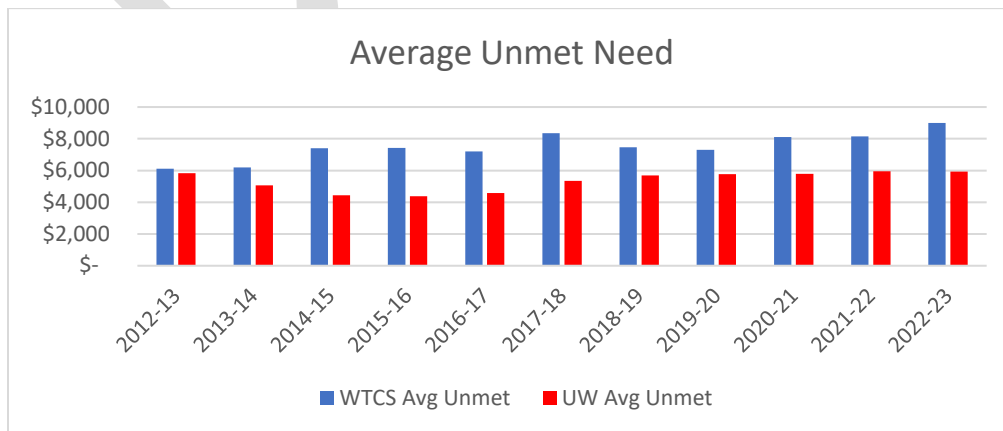
Wisconsin Grants, the state’s largest needs-based financial aid program, provides students with the necessary assistance to pursue a higher education credential with the objective of entering or improving their career in the workforce. During the 2023-24 Fiscal Year (FY), the Wisconsin Technical College System (WTCS) experienced the first waiting list in over ten years and is projecting a larger waitlist for the 2024-25 FY due to an increase in student need.

Background

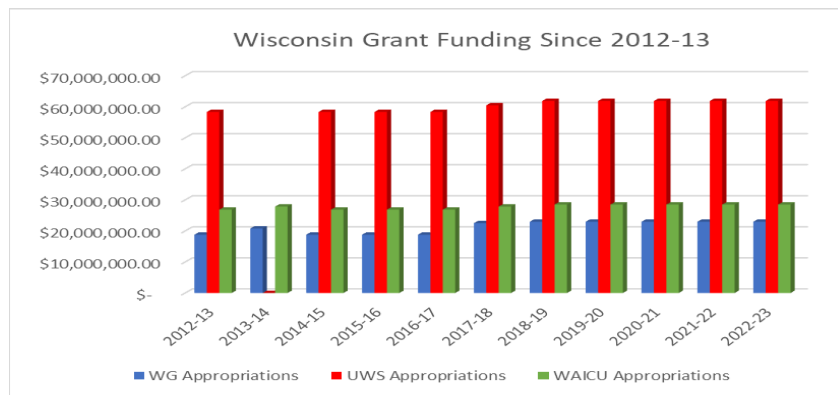
For the most recent FY, the Higher Educational Aids Board (HEAB), the state agency responsible for administering financial aid, determined WTCS expended all the appropriated funds for FY 2023-24, used \$3 million from the next FY to cover all student committed awards and had a waitlist of 3,200 students. Students who received a grant during the academic year had a higher calculated need than in previous FYs, which resulted in more students receiving larger grant award amounts. Put simply, WTCS student financial needs have and will continue to increase.

In addition to the current waitlist, WTCS is projecting the waitlist to grow significantly in FY 2024-25 due to changes in the federal formula for determining a student’s financial need. WTCS projects an increase of \$4.4 million will be needed to cover increased award amounts for current students and new awards for students who will become eligible as a result of using the new federal methodology.

WTCS, Wisconsin’s largest higher education system, provides education and training to non-traditional and an underserved student population that has higher financial need than the other higher education sectors in the state. As shown in the chart below, a WTCS student has a higher unmet need as compared to the average unmet need of a UW student.

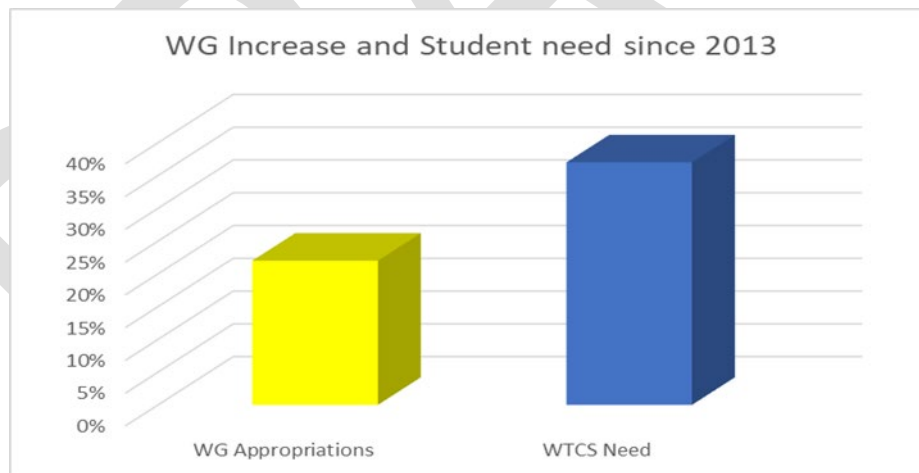


Over that same period of time, the Wisconsin Grants appropriation for all three major higher education sectors in the state received only one increase in continuing funding for the program. WTCS received an increase from \$18.8 million to \$23 million (22% as shown below) in fiscal year 2017-18.

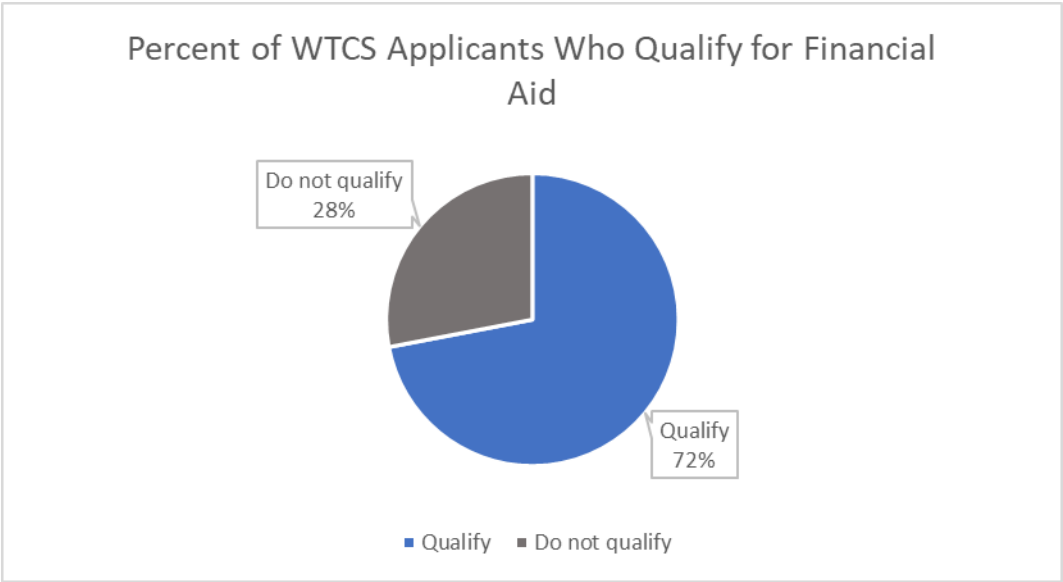


Note: UWS received \$0 in fiscal year 2013-14

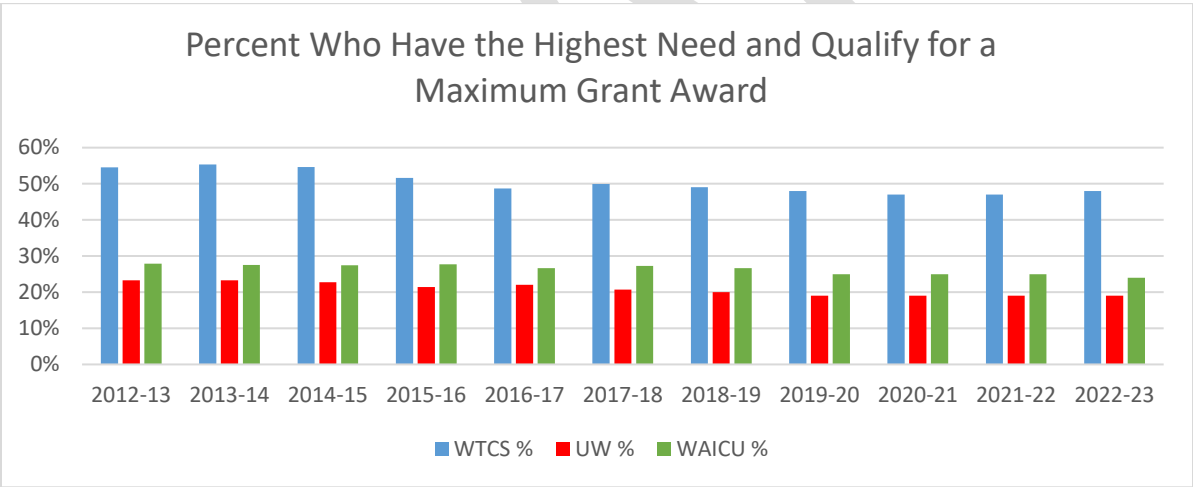
While the unmet need continues to rise, state investments in Wisconsin Grants has not kept up with the rising costs for students. Between 2012-13 and 2022-23, the average WTCS student financial need increased from \$10,400 to \$15,500, an increase of 37%, which outpaces the one-time increase received over the last ten years as shown in the chart below. As WTCS enrollments continue to increase, student need has also increased significantly, which is the determining factor for why WTCS has expended all Wisconsin Grants funding in the most recent academic year.



WTCS student need is not limited to those who have the highest need or qualify for a maximum grant award. As shown in the chart on the following page, 72% of the 58,000 students who applied for financial aid qualify for a Wisconsin Grant.



Historically, WTCS students have had the highest need compared to the other major higher education sectors in the state. As outlined in the graph below, close to 50% of WTCS students who apply for financial aid are identified as having the highest financial need and qualify for the maximum award. This means 28,000 out of the 58,000 individuals who completed a FAFSA and selected a technical college as their first choice would have \$0 to contribute to their college education.



It is imperative the state continues to invest in WTCS students to ensure WTCS has the ability to provide quality education and training to all who are willing and able to gain a credential so they may enter the workforce.

Request

\$10.8 million in each year of the biennium to meet the projected waitlist of students and to meet the increase in award amounts based on the rising financial need of WTCS students.