

DISCUSSION/ACTION
July 29, 2016

HIGHER EDUCATIONAL AIDS BOARD

BOARD REPORT #17-03

2017-2019 BIENNIAL BUDGET ISSUES

**WISCONSIN ASSOCIATION OF INDEPENDENT COLLEGES AND
UNIVERSITIES**

ALVERNO COLLEGE
BELLIN COLLEGE
BELOIT COLLEGE
CARDINAL STRITCH UNIVERSITY
CARROLL UNIVERSITY
CARTHAGE COLLEGE
COLUMBIA COLLEGE OF NURSING
CONCORDIA UNIVERSITY
EDGEWOOD COLLEGE
LAKE LAND 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
SILVER LAKE COLLEGE
VITERBO UNIVERSITY
WISCONSIN LUTHERAN COLLEGE

July 22, 2016

Steve Midthun, Chair
John Reinemann, Executive Secretary
Higher Educational Aids Board
131 West. Wilson Street, Suite 902
Madison, WI

Dear Mr. Midthun and Mr. Reinemann:

Thank you for including WAICU's recommendation for student aid funding in HEAB's 2017-2019 state biennial budget request.

Principles

To develop a competitive economy, Wisconsin must expand the educational attainment of the state's population; by 2020, 62 percent of the jobs of the future will require a postsecondary education. To address the current and looming talent shortfall, Wisconsin needs to act now and embrace policies that enhance college attainment and increase educational opportunity for all Wisconsin citizens. Investing in aid directly to students is a proven (and targeted) strategy for Wisconsin. Student aid also helps lower-income students maintain a manageable level of debt. Balancing grant aid and student loans helps reduce a student's overall debt burden upon graduation, and speeds time to graduation.

Dependable and equitable treatment for students over their college careers

WAICU embraces the state's long-standing policy, established by HEAB in 1968, that tax-payer funded student aid be equitably allocated to Wisconsin students with documented need attending a Wisconsin public, tribal or private nonprofit college or university. Increasing the Wisconsin Grants allocation will provide targeted, means-tested aid to students in all sectors who would otherwise be unable to attend a postsecondary institution.

WAICU also supports including language in the HEAB budget establishing a statutory link between tuition increases and student-aid appropriations and for sum-sufficient appropriations for all Wisconsin Grant appropriations. This policy was recommended by the bipartisan 2012 Commission on Financial Aid Consolidation and Modernization. As students increasingly transfer among 2- and 4-year public, private nonprofit, and tribal institutions, equitable funding is essential for increasing degree completion. Such a link also provides a degree of predictability

essential for students and their families in planning their postsecondary pathway. WAICU members have an outstanding four-year graduation rate. A number of WAICU members are offering three-year degrees. However, because of fluctuations in state funding and the eligibility recently granted to hundreds of new applicants, current WAICU-member students can see their grants reduced or eliminated.

A note on the process

I am deeply grateful to the HEAB staff and the board for their courtesy and for their insightful advice as WAICU formulates our budget recommendation. WAICU has also benefited from the advice of colleagues in the UW System and the Wisconsin Technical College System. Equitable treatment of all eligible Wisconsin students and a positive outcome for Wisconsin require coordination and cooperation and both have been forthcoming. To the extent possible—and in service of the goal of equitable treatment—WAICU’s request builds from the same factors as the UW System request and mirrors that request. WAICU also supports the requests of the UW System, the Wisconsin Technical College System, and the tribal colleges.

Building blocks for WAICU’s budget recommendation

As the first building block of our recommendation, WAICU emphasizes the \$1 million added by the Legislature to the Governor’s request for the Wisconsin Grants-private nonprofit in the 2013-2015 biennial budget. This appropriation allowed approximately 400 additional students to receive grants for the first year of the biennium. However, because the \$1 million was “one time” money, these Wisconsin students had \$1 million less available in the second year of the biennium and that funding has since expired. Student aid is intended not only to enable students to enroll, but also to graduate in four years. WAICU requests restoration of an additional \$1 million (for each year of the biennium) for consistency and dependability for students throughout their college careers.

The second building block addresses the addition of a newly-eligible student population drawing from the Wisconsin Grants-private nonprofit appropriation. In 2015, Herzing University converted from a for-profit institution to a nonprofit institution. This change immediately allowed Herzing University students to qualify for private, nonprofit Wisconsin Grants. These Herzing students are now receiving approximately \$2.5 million annually from the appropriation. This additional student population did not trigger an additional appropriation. As a result, the already insufficient appropriation for Wisconsin Grants-private nonprofit was further strained. Therefore, we are requesting additional dollars to provide funds for this population of students.

The third building block recognizes that the buying power of the Wisconsin Grant has not kept pace with need. Wisconsin lags the country in the amount of aid provided its students; according to a National Association of State Student Aid and Grant Programs’ survey, Wisconsin ranks only 27th in the nation in grant aid to students seeking post-secondary educational opportunities. If college attainment is truly a goal of this state, this ranking must improve. Further, the Wisconsin Grant appropriation for the private, nonprofit sector has been relatively stagnant for years (with the exception of one-time funding); the amount of the maximum award to those eligible to receive a Wisconsin Grant has not changed for over a decade. At the same time, the

financial need of Wisconsin students, as measured by those students who can make a family contribution of zero to the cost of college, has grown statewide by over 150 percent.

WAICU also supports the long-standing consensus of the Legislature—unanimously affirmed by the legislatively chartered, bipartisan Commission on Financial Aid Consolidation and Modernization—that the eligibility for HEAB-administered aid programs should not be expanded beyond the student populations eligible under current state law.

Recommendation for Wisconsin Grant (private, nonprofit students)

WAICU requests the same percentage increase in each year of the biennium as that requested by the UW. This increase will particularly address the \$1 million loss in funding and the additional \$2.5 million for the qualifying Herzing student population, as detailed above. It will also allow for an increase in the in the second year of the biennium so the total grant award which has remained stagnant since 2006 may be increased. Therefore, the total recommended appropriation request is:

<u>2017-18</u>	<u>2018-19</u>
\$29,870,300	\$32,870,300

The 24 nonprofit private colleges and universities in WAICU and their nearly 60,000 students are united in making this recommendation and are committed to working with our colleagues in the UW, WTCS, and tribal colleges in support of securing additional financial aid for all qualified Wisconsin students attending a Wisconsin college or university.

If I can answer any questions or be of further assistance, please contact me.

Sincerely,



Rolf Wegenke, Ph.D.
President

C: WAICU Presidents
WAICU financial aid offices