

DISCUSSION/ACTION
November 9, 2016

HIGHER EDUCATIONAL AIDS BOARD

BOARD REPORT #17-10

2017-18 WISCONSIN GRANT-PNP PROGRAM FORMULA

**PROPOSED 2017-18 FORMULA
WISCONSIN GRANT-PRIVATE, NON-PROFIT (PNP)**

**November 9, 2016
Board Report #17-10**

WISCONSIN GRANT-PNP

Introduction

HEAB administers the Wisconsin Grant-PNP which provides grants to students attending Wisconsin private, independent non-profit colleges and universities. Grants are awarded based on the economic needs of students. Grant recipients apply through the Federal Department of Education using the FAFSA (Free Application for Federal Student Aid). The Higher Educational Aids Board reviews and will approve the Wisconsin Grant-PNP formula for the upcoming school year at its November meeting because of the change in FAFSA filing.

The structure of the WG-PNP formula is outlined in Wisconsin State Statutes (39.30). There are six steps in the formula and grants are calculated differently for dependent and independent students. The current formula is included for review (see Table 2).

Recommendations:

Recommendation of Wisconsin Association of Independent Colleges and Universities (WAICU) President Dr. Rolf Wegenke:

Maximum award: \$2,900

Minimum award: \$1,000

Inflation Factors: Dependent 340% Independent 740%

UW-Madison Tuition: \$10,488

Base Maintenance: \$8,500

The proposed formula is outlined in Dr. Rolf Wegenke's letter which is attached and is illustrated in Table 1 of this document.

Other Information:

2017-2018 Appropriation: \$26,870,300

2016-2017 Appropriation: \$26,870,300

2015-2016 Appropriation: \$26,870,300

2014-2015 Appropriation: \$26,870,300

2013-2014 Appropriation: \$27,870,300

2012-2013 Appropriation: \$26,870,300

2011-2012 Appropriation: \$26,870,300

Current Year Spending: All of the 2016-17 funds will be spent.

Other Provisions: WG-PNP is pro-rated: 50% award for 6-8 credits; 75% award for 9-11 credits; full award for 12 or more credits. WG-PNP is also tuition specific and has a statutory over-committed maximum of 122%.

**Wisconsin Grant-PNP
Recommended 2017-18 Formula
Table 1**

		DEPENDENT	INDEPENDENT
STEP ONE	TUITION	14,000	14,000
	(Tuition is set by each school: \$14,000 is used as an example.)		
	- UW MADISON TUITION¹	10,488	10,488
	NET TUITION	3,512	3,512
STEP TWO	TUITION	14,000	14,000
	(insert actual tuition charged)		
	+ BASE MAINTENANCE²	8,500	8,500
	TOTAL COST	22,500	22,500
STEP THREE	NET TUITION	3,512	3,512
	DIVIDED BY TOTAL COST	22,500	22,500
	FAMILY CONTRIBUTION PERCENTAGE	.1561	.1561
STEP FOUR	EXPECTED FAMILY CONTRIBUTION	1500	1500
	(Insert actual EFC ³)		
	X INFLATION FACTOR⁴	340	740
	ADJUSTED FAMILY CONTRIBUTION	5,100	11,100
STEP FIVE	ADJUSTED FAMILY CONTRIBUTION	5,100	11,100
	X FAMILY CONTRIBUTION PERCENTAGE	.1561	.1561
	TUITION OFFSET	796	1733
STEP SIX	NET TUITION	3,512	3,512
	- TUITION OFFSET	796	1,733
	GRANT AMOUNT	2,716	1,779
	ACTUAL GRANT (MAXIMUM)⁵	2,716	1,779
	MAXIMUM GRANT ⁶	2,900	2,900
	MINIMUM GRANT ⁷	1,000	1,000

¹ Previous year tuition at UW – Madison determined for WG-PNP purposes.

² **Base Maintenance** is a number that is determined during the formula approval process.

³ **EFC** is the individual student data retrieved from the FAFSA.

⁴ **Inflation Factor** is similar to the Student Award Percentage in the other Wisconsin Grant sector formulas. This number can be manipulated during the formula approval process.

⁵ **Actual Grant**: This number will increase or decrease for each school when actual tuitions are used for calculations. \$14,000 is used as an example tuition to show how Wisconsin Grant-PNP awards are calculated.

⁶ **Maximum Grant** is set during the formula approval process.

⁷ **Minimum Grant** is set during the formula approval process

**Wisconsin Grant-PNP
2016-17 Formula
Table 2**

		DEPENDENT	INDEPENDENT
STEP ONE	TUITION	14,000	14,000
(Tuition is set by each school: \$14,000 is used as an example.)			
	- UW MADISON TUITION¹	10,416	10,416
	NET TUITION	3,584	3,584
STEP TWO	TUITION	14,000	14,000
(insert actual tuition charged)			
	+ BASE MAINTENANCE²	8,500	8,500
	TOTAL COST	22,500	22,500
STEP THREE	NET TUITION	3,584	3,584
	DIVIDED BY TOTAL COST	22,500	22,500
	FAMILY CONTRIBUTION PERCENTAGE	.1593	.1593
STEP FOUR	EXPECTED FAMILY CONTRIBUTION	1500	1500
(Insert actual EFC ³)			
	X INFLATION FACTOR⁴	340	740
	ADJUSTED FAMILY CONTRIBUTION	5,100	11,100
STEP FIVE	ADJUSTED FAMILY CONTRIBUTION	5,100	11,100
	X FAMILY CONTRIBUTION PERCENTAGE	.1593	.1593
	TUITION OFFSET	812	1,768
STEP SIX	NET TUITION	3,584	3,584
	- TUITION OFFSET	812	1,768
	GRANT AMOUNT	2,772	1,816
	ACTUAL GRANT (MAXIMUM)⁵	2,772	1,816
	MAXIMUM GRANT ⁶	2,900	2,900
	MINIMUM GRANT ⁷	1,000	1,000

¹ Previous year tuition at UW – Madison determined for WG-PNP purposes.

² **Base Maintenance** is a number that is determined during the formula approval process.

³ **EFC** is the individual student data retrieved from the FAFSA.

⁴ **Inflation Factor** is similar to the Student Award Percentage in the other Wisconsin Grant sector formulas. This number can be manipulated during the formula approval process.

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ALVERNO COLLEGE
BELLIN COLLEGE
BELOIT COLLEGE
CARDINAL STRITCH UNIVERSITY
CARROLL UNIVERSITY
CARTHAGE COLLEGE
COLUMBIA COLLEGE OF NURSING
CONCORDIA UNIVERSITY
EDGEWOOD COLLEGE
LAKELAND COLLEGE
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

November 1, 2016

Mr. John Reinemann
Executive Secretary
Higher Educational Aids Board
131 W. Wilson Street, Suite 902
Madison, WI 53702

Dear Mr. Reinemann,

As required by state statute, I am transmitting to you WAICU's recommendation on the Wisconsin Grant formula for private, nonprofit college students for the 2017-2018 academic year. I understand that the Higher Educational Aids Board (HEAB) will consider this recommendation at its meeting on November 9, 2016, earlier than usual given the earlier FAFSA deadlines.

In developing this year's recommendation, 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 between independent and dependent students.

Accordingly, it is my recommendation that HEAB adopt the Sim One option on the attached spreadsheet as the formula for the 2017-2018 academic year. Based on our consultations, I conclude that this option, which maintains existing formula elements and is premised on a continuation of existing appropriation levels, offers the most logical and best approach to "do no harm" to current Wisconsin Grant recipients and to preserve the stability of the program and the predictability of awards.

WAICU submitted a request for a \$9 million increase in the 2017-19 biennium in Wisconsin Grant funding. The increase is based on the following principles: that the Wisconsin Grant appropriation has been relatively stagnant for years, the amount of the maximum award has not changed for over a decade, and the student need is growing exponentially with the number of students who can make a zero contribution to the cost of college growing state-wide by over 150 percent. Should the Legislature and Governor approve the higher appropriation levels, additional formulaic changes will be recommended to increase the size of the awards to increase buying power, increase the number of awards to support more students, or both. As always, WAICU supports Wisconsin Grants for students attending a public, tribal or private, non-profit college or university.

I want to thank HEAB staff, Sherrie Nelson and Tegan McGillivray, for working with WAICU and for their on-going consultation with WAICU member financial aid professionals. We all appreciate the responsiveness and professionalism of your staff and, most important, what a difference your staff makes for Wisconsin students.

Should you have questions or concerns regarding the WAICU recommendations, please contact either me or Ms. Rebecca Larson, WAICU senior vice president for advocacy.

Sincerely,



Rolf Wegenke, Ph.D.
President

Attachment: WAICU Formula Recommendation for the 2017-2018 Wisconsin Grant

CC: WAICU Financial Aid Directors Group

WAICU
Wisconsin Grant Formula
2017-18 Recommendation
November 1, 2016

		RECOMMENDATION	
		2017-18 SIM ONE	
		(no formula change)	
WG-PNP FORMULA FACTORS	2016-17 COMMITTED	With "W" code	no "W" code
UW Tuition	\$ 10,416	\$10,488	\$10,488
Base Maintenance	\$ 8,500	\$ 8,500	\$ 8,500
Dependent Inflation Factor	340%	340%	340%
Independent Inflation Factor	740%	740%	740%
Maximum Award	\$ 2,900	\$ 2,900	\$ 2,900
Minimum Award	\$ 1,000	\$ 1,000	\$ 1,000
Appropriation	\$26,870,300	\$ 26,870,300	\$ 26,870,300
W codes	Wait list not imposed	8/30/16	none
DEPENDENTS			
APPLICANTS	17529	17529	17529
% OF APPLICANTS	68.06%	68.06%	68.06%
AWARDS	8886	8946	9044
% OF AWARDS	61.73%	62.30%	61.53%
% ELIGIBLE	50.69%	51.04%	51.59%
AVERAGE \$s	\$2,843	\$2,850	\$2,850
\$s COMMITTED	\$25,264,982	\$25,495,767	\$25,771,231
INDEPENDENTS			
APPLICANTS	8228	8228	8228
% OF APPLICANTS	31.94%	31.94%	31.94%
AWARDS	5509	5414	5655
% OF AWARDS	38.27%	37.70%	38.47%
%ELIGIBLE	66.95%	65.80%	68.73%
AVERAGE \$\$	\$2,828	\$2,835	\$2,835
\$s COMMITTED	\$15,580,577	\$15,348,875	\$16,033,338
TOTALS			
APPLICANTS	25757	25757	25757
AWARDS	14395	14360	14699
%ELIGIBLE	55.89%	55.75%	57.07%
AVERAGE \$\$	\$2,837	\$2,844	\$2,844
\$s COMMITTED	\$40,845,559	\$40,844,642	\$41,804,569
OVERAWARD	152.01%	152.01%	155.58%