

DISCUSSION/ACTION
October 9, 2017

HIGHER EDUCATIONAL AIDS BOARD

BOARD REPORT #18-01

2017-18 WISCONSIN GRANT-PNP PROGRAM FORMULA CHANGE

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

October 4, 2017

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

Dear Mr. Reinemann,

As directed by Wisconsin statute, I recommend a modification to the Wisconsin Grants formula to reflect the five percent increase in Wisconsin Grants funding for low-income Wisconsin students attending private, nonprofit colleges and universities. I am grateful that the Governor and the Legislature recognize the power that Wisconsin Grants have for students as they pursue their dreams of a college education and prepare to become productive citizens and participants in Wisconsin's workforce. 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.

The current formula for the 17-18 academic year (set in November of 2016) sets the maximum grant at \$2900 and the minimum grant at \$1000. The current formula also sets an inflation factor for dependent students at 340 percent and an inflation factor for independent students at 740 percent. For the last several years, I have recommended no changes to the formula due to flat funding in a continuing effort to "do no harm" to current students in mid-career.

Given the increase in the appropriation, I recommend that the maximum award for the 2017-18 academic year be set at \$3150 – up from \$2900 and the minimum award continue to be set at \$1000. This change provides a boost to the level of award to students – especially those students with the greatest financial need and given applicants are up this academic year, attempts to ensure as many students as possible can access the grant. I also recommend the inflation factor for independent students be reduced from 740 percent to 640 percent. This factor has been level for many years and the change will offer more independent students the opportunity to receive a Wisconsin Grant. No other changes to the formula are recommended at this time.

Spending on the grants is very dependent on enrollments and the specific economic needs of the actual applying students. Thus, the projected spending results are a moving target. The simulation process, using historic data and best estimates, is useful in predicting spending, but can never be exact as to future actual conditions. For these reasons, I reserve the right to again recommend modification in the formula.

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ROLF WEGENKE, Ph.D.
President

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WAICU members do not receive direct operating support from the state as do public institutions. WAICU members do, however, provide over \$500 million annually in privately raised dollars in grants and scholarships directly to students. WAICU members educate nearly 58,000 students each year and graduate 27 percent of the state's bachelor's degrees and 37 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.

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.

I want to thank you and the HEAB staff, (particularly Sherrie Nelson and Tegan McGillivray), for working with WAICU staff and WAICU Financial Aid Directors in developing the formula and examining the possible results. HEAB staff continue to promote a positive and constructive working relationship. WAICU staff, WAICU-member financial aid directors, and I sincerely appreciate their 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

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

**October 9, 2017
Board Report #18-01**

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.

Recommendation:

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

Maximum award: \$3,150

Minimum award: \$1,000

Inflation Factors: Dependent 340% Independent 640%

UW-Madison Tuition: \$10,488

Base Maintenance: \$8,500

The proposed formula is outlined in Dr. Rolf Wegenke's letter which is attached.

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

Current Year Spending: All of the 2017-18 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%.