

DISCUSSION/ACTION
November 10, 2017

HIGHER EDUCATIONAL AIDS BOARD

BOARD REPORT #18-11

2018-19 WISCONSIN GRANT - UWS PROGRAM FORMULA



Office of the President

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November 1, 2017

John Reinemann, Executive Secretary *Via Electronic Mail*
Higher Educational Aids Board
131 W. Wilson Street, Suite 902
PO Box 7885
Madison, WI 53707-7885

Dear Executive Secretary Reinemann:

Thank you for the opportunity to forward the University of Wisconsin System's recommendation on the 2018-19 Wisconsin Grant formula. UW System Financial Aid Directors have submitted a recommendation for the 2018-19 funding formula for my approval. We are greatly appreciative to the Governor and the Legislature for the additional funding for Wisconsin Grant for 2017-19. For 2018-19, the increase in the Wisconsin Grant for the UW System is \$1,406,600 or 2.3%.

My recommendation is that the 2018-19 formula be changed to increase the budget of \$6,785 to \$6,900, with the rationing factor increasing from 40% to 41%, and the maximum expected family contribution increasing from \$4,500 to \$5,000. The maximum award will increase from \$2,714 to \$2,829, with a minimum award changing to \$779. My recommendation would also include a second tier, if funds are available, to expand the maximum EFC to the Pell maximum with the students in the second tier awarded the minimum UW Wisconsin Grant of \$779.

This approach continues to fall short of the historic goal for the Wisconsin Grant award of covering 50% of tuition for students with the most financial need. However, this recommendation takes another step in reaching this goal, thanks to the additional state funding.

We continue the institutional allocation approach that was initially implemented during 2011-12. For 2018-19, we are proposing that grants continue to be provided to students at UW System institutions in proportion to the latest year (2016-17) of Pell Grants received for \$5,000 EFC and below at each UW institution.

The Wisconsin Grant formula continues to strike the difficult balance between funding as many eligible students as possible while still providing grants in meaningful amounts that will help low-income students access a UW education. We believe the current formula uses the scarce resources in the most effective manner.

I want to offer my appreciation to the HEAB staff for their hard work and support of the Wisconsin Grant Program. I look forward to hearing your final decision following the meeting of the Higher Educational Aids Board on November 10, 2017.

Sincerely,

A handwritten signature in black ink that reads "Ray Cross". The signature is written in a cursive style with a large, prominent "R" and "C".

Ray Cross
President

CC: Regents
Chancellors
Cabinet
Financial Aid Officers
Logan Kossel, Student Representative on HEAB Board

**PROPOSED 2018-2019 FORMULA
WISCONSIN GRANT
UNIVERSITY OF WISCONSIN SYSTEM**

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Recommendation of the University of Wisconsin System President Ray Cross:

(\$6,900– EFC) x 41% = Award

(Student Budget – Expected Family Contribution) x Student Award Percentage = Award

Maximum Award: **\$2,829** Minimum Award: **\$779**

Other Information:

2018-2019 Appropriation: \$61,894,100

2017-2018 Appropriation: \$58,345,400

2016-2017 Appropriation: \$58,345,400

2015-2016 Appropriation: \$58,345,400

2014-2015 Appropriation: \$58,345,400

2013-2014 Appropriation: \$58,345,400

Current Formula - 1718:

(\$6,785 – EFC) x 40% = Award

(Student Budget – Expected Family Contribution) x Student Award Percentage = Award

Maximum Award: \$2,714 Minimum Award: \$900

Current Year Spending: All of the 2017-2018 funds will be spent.