

DISCUSSION/ACTION
February 1, 2008

HIGHER EDUCATIONAL AIDS BOARD

BOARD REPORT #08-07

2008-09 WTG PROGRAM FORMULA

**PROPOSED 2008-2009 FORMULAS
WISCONSIN TUITION GRANT**

**February 1, 2008
BOARD REPORT #08-07**

WISCONSIN TUITION GRANT

Introduction

HEAB administers the Wisconsin Tuition Grant 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. The Higher Educational Aids Board reviews and approves the Tuition Grant formula for the upcoming school year at its February/March meeting.

The structure of the WTG formula is outlined in the State Statutes. There are six steps in the formula, and awards are differentiated in the following manner between 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: \$2900

Minimum award: \$1000

Inflation Factors: Dependent – 311% Independent – 673%

UW-Madison Tuition: \$7,188

Base Maintenance: \$10,807

The proposed formula is illustrated in Table 1 of this document and in Proposal 1 which is attached.

Recommendation of the Executive Secretary

Agrees with the recommendation of Dr. Rolf Wegenke.

Other Information

0809 Appropriation: \$26,077,500

0708 Appropriation: \$25,456,600

Current Year Spending: All of the 2007-2008 funds will be spent.

Applicants: As of January 15, 2008 there are 26,634 Tuition Grant applicants compared to 25,614 at this time last year. For all sectors we have 247,179 applicants for 07-08 and 239,097 for 06-07 thru the end of December.

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

**Wisconsin Tuition Grant
Recommended 2008-2009 Formula
Table 1**

		DEPENDENT	INDEPENDENT
STEP ONE	TUITION	10,200	10,200
	(Tuition is set by each school: \$10,200 is used as an example.)		
	- UW MADISON TUITION¹	7,188	7,188
	NET TUITION	3,012	3,012
STEP TWO	TUITION	10,200	10,200
	(insert actual tuition charged)		
	+ BASE MAINTENANCE²	10,807	10,807
	TOTAL COST	21,007	21,007
STEP THREE	NET TUITION	3,012	3,012
	DIVIDED BY TOTAL COST		
	FAMILY CONTRIBUTION PERCENTAGE	0.1434	0.1434
STEP FOUR	EXPECTED FAMILY CONTRIBUTION	100	100
	(Insert actual EFC ³)		
	X INFLATION FACTOR⁴	311%	673%
	ADJUSTED FAMILY CONTRIBUTION	311	673
STEP FIVE	ADJUSTED FAMILY CONTRIBUTION	311	673
	X FAMILY CONTRIBUTION PERCENTAGE		
	TUITION OFFSET	45	96
STEP SIX	NET TUITION	3,012	3,012
	- TUITION OFFSET		
	GRANT AMOUNT	2,967	2916
	ACTUAL GRANT (MAXIMUM)	2,900	2,900
	MAXIMUM GRANT ⁵	2900	2900
	MINIMUM GRANT ⁶	1000	1000

¹ Previous year tuition at UW – Madison determined for TG 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 WHEG formulas. This number can be manipulated during the formula approval process.

⁵ **Maximum Grant** is set during the formula approval process.

⁶ **Minimum Grant** is set during the formula approval process

**Wisconsin Tuition Grant
2007-2008 Formula
Table 2**

		DEPENDENT	INDEPENDENT
STEP ONE	TUITION	10,200	10,200
	(Tuition is set by each school: \$10,200 is used as an example.)		
	- UW MADISON TUITION¹	6,730	6,730
	NET TUITION	3,470	3,470
STEP TWO	TUITION	10,200	10,200
	(insert actual tuition charged)		
	+ BASE MAINTENANCE²	10,807	10,807
	TOTAL COST	21,007	21,007
STEP THREE	NET TUITION	3,470	3,470
	DIVIDED BY TOTAL COST	21,007	21,007
	FAMILY CONTRIBUTION PERCENTAGE	.1652	.1652
STEP FOUR	EXPECTED FAMILY CONTRIBUTION	100	100
	(Insert actual EFC ³)		
	X INFLATION FACTOR⁴	300.00%	650.00%
	ADJUSTED FAMILY CONTRIBUTION	300	650
STEP FIVE	ADJUSTED FAMILY CONTRIBUTION	300	650
	X FAMILY CONTRIBUTION PERCENTAGE	.1652	.1652
	TUITION OFFSET	50	107
STEP SIX	NET TUITION	3,470	3,470
	- TUITION OFFSET	50	107
	GRANT AMOUNT	3,420	3,363
	ACTUAL GRANT (MAXIMUM)	2,900	2,900
	MAXIMUM GRANT ⁵	\$2,900	\$2,900
	MINIMUM GRANT ⁶	\$1,000	\$1,000

¹ Previous year tuition at UW – Madison determined for TG 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 WHEG formulas. This number can be manipulated during the formula approval process.

⁵ **Maximum Grant** is set during the formula approval process.

⁶ **Minimum Grant** is set during the formula approval process

WAICU

WISCONSIN ASSOCIATION OF INDEPENDENT
COLLEGES AND UNIVERSITIES

January 24, 2008

Ms. Connie Hutchison, Executive Secretary
Higher Educational Aids Board
131 W. Wilson Street, Suite 902
Madison, WI 53702

Dear Ms. Hutchison:

As required by state statute, I am transmitting to you WAICU's recommendation for the Wisconsin Tuition Grant (WTG) formula for the 2008-2009 academic year. I understand that the Higher Educational Aids Board (HEAB) will consider this recommendation at its meeting on February 1st.

In developing this year's recommendation, WAICU remains committed to the principles that the WTG 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 WTG funding should be equitably distributed between independent and dependent students. It is the unanimous position of the WAICU Board (the presidents) that, over time, the grant maximum and the value of the average grant must increase.

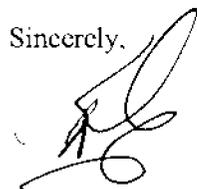
Based on discussions with the WAICU Financial Aid Group and HEAB staff, it is my recommendation that HEAB update the formula factors to reflect "Proposal 1" on the attached page. Because of a funding increase that failed even to meet inflationary increases for low- and middle-income Wisconsin private college students, we concluded that stability was important to protect those students who currently qualify for an award. Consequently, we recommend no increase in the maximum award, and minimal changes in the inflation factors.

I want to thank you again for meeting with me and the WAICU financial aid directors to discuss the WTG formula for 2008-2009. You and your staff continue to exemplify one of the most constructive working relationships between a state agency and a constituent group.

Should you have questions or concerns regarding the WAICU recommendations, please contact either me or Mr. Paul Nelson, WAICU Senior Vice President for Public Policy.

Best wishes . . .

Sincerely,



Rolf Wegenke, Ph.D.
President

Attachment: 2008-2009 Simulation Comparisons

c: WAICU Presidents
WAICU Financial Aid Directors

		Notification List	Simulation Accepted	Proposal 1	Proposal 2
		2007-2008	2007-2008	2008-2009	2008-2009
		December 11, 2007	At 116.20%	At 145.82%	At 145.52%
DEPENDENTS	APPLICANTS	17,282	10,852	17,158	17,158
	% OF APPLICANTS	65.98%	64.12%	66.76%	66.76%
	AWARDS	6,894	7,088	8,525	8,506
	% OF AWARDS	73.54%	66.42%	62.62%	62.62%
	% ELIGIBLE	39.89%	65.32%	49.69%	49.57%
	AVERAGE \$	\$2,751	\$2,766	\$2,800	\$2,800
	\$ COMMITTED	\$18,962,943	\$19,605,351	\$23,867,216	\$23,813,870
	% DOLLARS	75.40%	66.28%	62.77%	62.75%
INDEPENDENTS	APPLICANTS	8,911	6,073	8,543	8,543
	% OF APPLICANTS	34.02%	33.58%	33.24%	33.24%
	AWARDS	2,480	3,584	5,088	5,078
	% OF AWARDS	26.46%	33.58%	37.38%	37.38%
	%ELIGIBLE	27.83%	59.02%	59.56%	59.44%
	AVERAGE \$	\$2,495	\$2,783	\$2,783	\$2,783
	\$ COMMITTED	\$6,188,447	\$9,974,480	\$14,157,796	\$14,133,590
	% DOLLARS	24.60%	33.72%	37.23%	37.25%
TOTALS	APPLICANTS	26,193	16,925	25,701	25,701
	AWARDS	9,374	10,672	13,613	13,584
	%ELIGIBLE	35.79%	63.05%	52.97%	52.85%
	AVERAGE \$	\$2,683	\$2,772	\$2,793	\$2,794
	\$ COMMITTED	\$25,151,390	\$29,579,831	\$38,025,012	\$37,947,460
	% DOLLARS	100.00%	100.00%	100.00%	100.00%
	OVERAWARD	98.80%	116.20%	145.82%	145.52%
	AWARDS at 100%	9,488	9,183	9,337	9,333
	AVERAGE AWARD	\$2,683	\$2,772	\$2,793	\$2,794
TUITION GRANT FACTORS					
	UW Tuition	\$6,730	\$6,730	\$7,188	\$7,188
	Inflation Factors				
	Dependent students	300%	300%	311%	312%
	Independent students	650%	650%	673%	676%
	Base Maintenance	\$10,807	\$10,807	\$10,807	\$10,807
	Max/Min Award	\$2,900/\$1,000	\$2,900/\$1,000	\$2,900/\$1,000	\$2,900/\$1,000
	Total Funding Available	\$25,456,600	\$25,456,600	\$26,077,500	\$26,077,500