

DISCUSSION/ACTION
August 6, 2010

HIGHER EDUCATIONAL AIDS BOARD

BOARD REPORT #11-04

2011-2013 BIENNIAL BUDGET ISSUES

**WISCONSIN ASSOCIATION OF INDEPENDENT COLLEGES AND
UNIVERSITIES**

2011 – 2013 Biennial Budget Issues
Wisconsin Association of Independent Colleges and Universities

WAICU Tuition Grant Recommendation Summary:

(Please see the full WAICU recommendation and rationale in the letter and supporting document from President Rolf Wegenke on the following pages.)

Increase the Wisconsin Tuition Grant by \$1,477,900 in FY11-12 and \$3,037,100 for FY12-13 to increase funding for the WTG by 5.5% in each year of the biennium.

Link annual increases in the Wisconsin Tuition Grant to UW tuition increases, by adopting the provisions of 2007 Senate Bill 450/Assembly Bill 780. Those provisions are:

- Increase each grant's prior year appropriation by an amount equal to the average percentage by which the undergraduate academic fees that will be charged for the next academic year at each institution within the UW System, as estimated by HEAB, will increase from the undergraduate academic fees charged for the current academic year;

Or

- Increase each grant's prior year appropriation by an amount equal to the dollar increase in UW tuition multiplied by the number of students who will be receiving the respective grants for the next academic year, as estimated by the HEAB board.

ALVERNO COLLEGE
BELOIT COLLEGE
CARDINAL STRITCH UNIVERSITY
CARROLL UNIVERSITY
CARTHAGE COLLEGE
CONCORDIA UNIVERSITY
EDGEWOOD COLLEGE
LAKELAND COLLEGE
LAWRENCE UNIVERSITY
MARIAN UNIVERSITY



MARQUETTE UNIVERSITY
MILWAUKEE INSTITUTE OF ART & DESIGN
MILWAUKEE SCHOOL OF ENGINEERING
MOUNT MARY COLLEGE
NORTHLAND COLLEGE
RIPON COLLEGE
ST. NORBERT COLLEGE
SILVER LAKE COLLEGE
VITERBO UNIVERSITY
WISCONSIN LUTHERAN COLLEGE

July 23, 2010

Connie Hutchison, Ph.D.
Executive Secretary
Higher Educational Aids Board
131 W. Wilson Street, Suite 902
Madison, Wisconsin

-HAND DELIVERED-

Dear Dr. *Connie Hutchison*:

Thank you for including WAICU's recommendation for student aid in the development of HEAB's 2011–2013 biennial state budget.

WAICU embraces HEAB's 1968 policy framework: specifically, that taxpayer-funded student aid should be allocated to Wisconsin students with documented need attending a Wisconsin college or university. Now—in these times of economic distress and when Wisconsin's competitiveness in the "Knowledge Economy" is dependent on expanding our population with postsecondary degrees—the State of Wisconsin's future is dependent upon investment targeted at increasing the educational attainment of all Wisconsin citizens. WAICU also supports the Governor's call to maintain focus on broad-based educational opportunities.

The best way to achieve the 1968 HEAB principles and to equitably advance educational opportunity in Wisconsin is embodied in the language of 2007 Senate Bill 450 / Assembly Bill 780 (attached). WAICU's recommendation is that the HEAB board adopt the provisions of this legislation as part of its budget submission for the WTG. I would also recommend that the same legislative language be applied to the appropriation for the Minority Undergraduate Retention Grant (MURG) for Technical College, Tribal College, and Wisconsin private college students.

Specifically, the provisions in the 2007 legislation increase the appropriations for each of HEAB's major need-based grant programs by the greater of the following two amounts:

- Increase each grant's prior year appropriation by an amount equal to by the average percentage by which the undergraduate academic fees that will be charged for the next academic year at each institution within the UW System, as estimated by HEAB, will increase from the undergraduate academic fees charged for the current academic year;

—or—

- Increase each grant's prior year appropriation by an amount equal to the dollar increase in UW tuition multiplied by the number of students who will be receiving the respective grants for the next academic year, as estimated by the HEAB board.

Dr. Connie Hutchison

July 23, 2010

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WAICU understands that President Reilly of the UW System, President Clancy of the Wisconsin Technical College System, and President Fowler of the College of Menominee Nation will also be making budgetary recommendations for the consideration of the board. WAICU will continue the tradition of deference to our sister institutions—always putting the best interests of the students first. If the WAICU recommendation is inconsistent with the recommendations of the other sectors, the board could simply adopt the 2007 SB 450/AB 780 language for the WTG and the MURG only.

Using the proposed legislative formula by applying the recently-recommended UW tuition increase of 5.5 percent, WAICU is recommending an increase in the WTG of \$1,477,900 in FY11–12 and \$3,037,100 for FY12–13 to increase funding for the WTG by 5.5% in each year of the biennium. Total funding for the WTG would increase from \$26,870,300 in 2010–11 to \$28,348,200 in 2011–12 and \$29,907,400 in 2012–13. WAICU also recommends an increase in the MURG of \$45,000 in FY11–12 and \$92,500 in FY12–13 to increase funding for the MURG by 5.5% in each year of the biennium. Total funding for the MURG would increase from \$819,000 in 2010–11 to \$864,000 in 2011–12 and \$911,500 in 2012–13.

As you know, the WHEG-UW and the UW's Lawton Minority Undergraduate Grant programs are sum sufficient appropriations that are linked to increases in UW resident undergraduate tuition. A similar link was not created for the WTG, for the WHEG programs for technical college or tribal college students, or for the MURG. As a result, students eligible for these grant programs have been left behind.

As students increasingly transfer among 2- and 4-year public and private institutions, equitable funding becomes essential for increasing degree completion. There is already a precedent for linking WTG funding to UW-Madison tuition: the statutory WTG formula in s. 39.30 for determining individual students' annual WTG awards includes UW-Madison tuition as one of its factors.

The 20 nonprofit private colleges and universities of Wisconsin and their 60,000 students are united in support of this recommendation. If we can be of further assistance, please contact me or Mr. Paul Nelson, WAICU Senior Vice President for Public Policy at (608) 256-7761, ext. 223, or via email at paul.nelson@waicu.org.

Sincerely,



Rolf Wegenke, Ph.D.
President

Attachment

c: WAICU presidents (w/o attachment)
WAICU financial aid offices (w/o attachment)

2007 SENATE BILL 450

February 4, 2008 – Introduced by Senators RISSER, HANSEN and ROESSLER, cosponsored by Representatives PARISI, BLACK, HIXSON, SMITH, HINTZ, HILGENBERG, GARTHWAITE, SHERIDAN, HEBL, POCAN, SINICKI, SHILLING, TURNER, BOYLE, BERCEAU and A. WILLIAMS. Referred to Committee on Agriculture and Higher Education.

1 **AN ACT** *to amend* 20.235 (1) (b), 20.235 (1) (fe), 20.235 (1) (ff), 20.235 (1) (km),
2 20.285 (4) (dd), 20.505 (8) (hm) 10., 36.34 (1) (c) 2. (intro.), 36.34 (1) (c) 2. am.,
3 36.34 (1) (c) 2. b., 36.34 (1) (c) 2. bm., 39.435 (7) (b) (intro.), 39.435 (7) (b) 2. and
4 39.435 (7) (b) 2m.; and *to create* 36.34 (1) (c) 2. ag., 36.34 (1) (c) 2. ar., 39.30 (5),
5 39.435 (7) (a) 3., 39.435 (7) (a) 4., 39.435 (7) (a) 5., 39.435 (7) (a) 6., 39.435 (7)
6 (b) 1g., 39.435 (7) (b) 1r., 39.435 (7) (c) and 39.435 (7) (d) of the statutes; **relating**
7 **to:** the method by which the amounts to be appropriated for higher education
8 grants, tuition grants, and Lawton minority undergraduate grants are
9 calculated and making appropriations.

Analysis by the Legislative Reference Bureau

Under current law, the Higher Educational Aids Board (HEAB) provides higher education grants to Wisconsin residents who are enrolled in the University of Wisconsin (UW) System, a technical college, or a tribal college and tuition grants to Wisconsin residents who are enrolled in accredited, nonprofit post-high school, educational institutions in this state. The Board Regents of the UW System provides grants, known as Lawton grants, to minority undergraduates enrolled in the UW System.

SENATE BILL 450

Currently, sum certain amounts are appropriated in each fiscal year for tuition grants and for higher education grants for technical college and tribal college students. For higher education grants for UW System students, beginning with the 2009–11 state fiscal biennium, there is appropriated a sum sufficient equal to the amount appropriated for those grants in the previous fiscal year (base amount) increased by the average percentage by which the undergraduate academic fees that will be charged for the next academic year at each institution within the UW System, as estimated by HEAB, will increase from the undergraduate academic fees charged for the current academic year. The same formula is also used to calculate the amount appropriated for Lawton grants.

This bill changes the formula used to calculate the amounts appropriated for higher education grants for UW System students and for Lawton grants. The bill also requires HEAB to use the new formula to calculate the amounts appropriated for tuition grants and for higher education grants for technical college and tribal college students. Specifically, under the bill, beginning with the 2009–11 state fiscal biennium, the amounts appropriated for tuition grants, for Lawton grants, and for higher education grants for UW System students, technical college students, and tribal college students are determined by increasing the base amount for each of those appropriations by the greater of the average percentage increase determined under current law or the amount obtained by multiplying the increase in the undergraduate academic fees that will be charged for a student to attend the UW–Madison for the next academic year, as estimated by HEAB, over the current academic year by the number of students who are receiving the respective grants for the current academic year.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 20.235 (1) (b) of the statutes is amended to read:

2 20.235 (1) (b) *Tuition grants.* Biennially, the amounts in the schedule A sum
3 sufficient equal to the amount calculated under s. 39.30 (5) for the purposes of s.
4 39.30.

5 **SECTION 2.** 20.235 (1) (fe) of the statutes, as affected by 2007 Wisconsin Act 20,
6 is amended to read:

7 20.235 (1) (fe) *Wisconsin higher education grants; University of Wisconsin*
8 *System students.* A sum sufficient equal to \$50,000,000 ~~in the 2007–08 fiscal year,~~