

DISCUSSION/ACTION
February 19, 2016

HIGHER EDUCATIONAL AIDS BOARD

BOARD REPORT #16-08

2016-17 WISCONSIN GRANT-PNP PROGRAM FORMULA

**PROPOSED 2016-17 FORMULA
WISCONSIN GRANT-PRIVATE, NON-PROFIT (PNP)**

**February 19, 2016
Board Report #16-08**

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 approves the Wisconsin Grant-PNP formula for the upcoming school year at its February/March meeting.

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: \$10,416

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:

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

2010-2011 Appropriation: \$26,870,300

Current Year Spending: All of the 2015-16 funds will be spent. Awards were suspended September 23, 2015.

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 2016-17 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	10,416	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	1768
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.

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
2015-16 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	10,410	10,410
	NET TUITION	3,590	3,590
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	3,590	3,590
	DIVIDED BY TOTAL COST	22,500	22,500
	FAMILY CONTRIBUTION PERCENTAGE	.1596	.1596
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	.1596	.1596
	TUITION OFFSET	814	1,772
STEP SIX	NET TUITION	3,590	3,590
	- TUITION OFFSET	814	1,772
	GRANT AMOUNT	2,776	1,818
	ACTUAL GRANT (MAXIMUM)⁵	2,776	1,818
	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.

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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
LAKE LAND 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

February 5, 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 2016-2017 academic year. I understand that the Higher Educational Aids Board (HEAB) will consider this recommendation at its meeting on February 19, 2016.

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, based on discussions with the WAICU Financial Aid Directors Group and HEAB staff, it is my recommendation that HEAB adopt the Sim One option on the attached spreadsheet as the formula for the 2016-2017 academic year. Based on our consultations, I conclude that this option, which maintains existing formula inputs 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. In the future, should there be higher appropriations to the Wisconsin Grant, additional formulaic changes can be explored that may increase the size of the awards, the number of awards, or both.

Again, I want to thank HEAB staff, Sherrie Nelson and Deanna Schultz, for meeting with WAICU staff and the WAICU financial aid professionals in developing the formula and examining the estimated results. HEAB staff continue to promote an extremely constructive working relationship. WAICU staff, WAICU-member financial aid directors, and I really appreciate the responsiveness and professionalism of your staff.

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 2016-2017 Wisconsin Grant

CC: WAICU Financial Aid Directors Group

WAICU
Wisconsin Grant Formula
2016-17 Recommendation
February 5, 2016

WG-PNP FORMULA FACTORS	2015-16 COMMITTED	RECOMMENDATION 2016-17 SIM ONE (no formula change)
UW Tuition	\$ 10,402	\$10,416
Base Maintenance	\$ 8,500	\$ 8,500
Dependent Inflation Factor	340%	340%
Independent Inflation Factor	740%	740%
Maximum Award	\$ 2,900	\$ 2,900
Minimum Award	\$ 1,000	\$ 1,000
Appropriation	\$26,870,300	\$ 26,870,300
W codes	9/23/15	8/29/2015
DEPENDENTS		
APPLICANTS	18182	18182
% OF APPLICANTS	66.17%	66.17%
AWARDS	9136	9243
% OF AWARDS	59.08%	59.95%
% ELIGIBLE	50.25%	50.84%
AVERAGE \$s	\$2,839	\$2,846
\$s COMMITTED	\$25,933,191	\$26,304,222
INDEPENDENTS		
APPLICANTS	9297	9297
% OF APPLICANTS	33.83%	33.83%
AWARDS	6328	6175
% OF AWARDS	40.92%	40.05%
%ELIGIBLE	68.06%	66.42%
AVERAGE \$\$	\$2,827	\$2,836
\$s COMMITTED	\$17,886,858	\$17,515,009
TOTALS		
APPLICANTS	27479	27479
AWARDS	15464	15418
%ELIGIBLE	56.28%	56.11%
AVERAGE \$\$	\$2,834	\$2,842
\$s COMMITTED	\$43,820,049	\$43,819,231
OVERAWARD	163.08%	163.08%