

**DISCUSSION/ACTION**  
**February 26, 2010**

**HIGHER EDUCATIONAL AIDS BOARD**

**BOARD REPORT #10-11**

**2010-11 WTG PROGRAM FORMULA**

**PROPOSED 2010-2011 FORMULAS  
WISCONSIN TUITION GRANT**

**February 26, 2010  
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**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 (Free Application for Federal Student Aid). 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 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: \$8,314

Base Maintenance: \$11,800

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

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

2009-2010 Appropriation: \$26,338,300

2008-2009 Appropriation: \$26,077,500

2007-2008 Appropriation: \$25,456,600

2006-2007 Appropriation: \$22,754,649

**Current Year Spending:** All of the 2009-2010 funds will be spent. Awards were suspended June 4, 2009; a few additional awards were granted, then awards were fully suspended on June 17, 2009.

**Other Provisions:** WTG is pro-rated: 50% award for 6-8 credits; 75% award for 9-11 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 2010-2011 Formula  
Table 1**

		DEPENDENT	INDEPENDENT
<b>STEP ONE</b>	TUITION	10,200	10,200
(Tuition is set by each school: \$10,200 is used as an example.)			
	<b>- UW MADISON TUITION<sup>1</sup></b>	<b>8,314</b>	<b>8,314</b>
	NET TUITION	1,886	1,886
<b>STEP TWO</b>	TUITION	10,200	10,200
	(insert actual tuition charged)		
	<b>+ BASE MAINTENANCE<sup>2</sup></b>	<b>11,800</b>	<b>11,800</b>
	TOTAL COST	22,000	22,000
<b>STEP THREE</b>	NET TUITION	1,886	1,886
	DIVIDED BY TOTAL COST	22,000	22,000
	FAMILY CONTRIBUTION PERCENTAGE	.0857	.0857
<b>STEP FOUR</b>	EXPECTED FAMILY CONTRIBUTION	100	100
	(Insert actual EFC <sup>3</sup> )		
	<b>X INFLATION FACTOR<sup>4</sup></b>	<b>340</b>	<b>740</b>
	ADJUSTED FAMILY CONTRIBUTION	340	740
<b>STEP FIVE</b>	ADJUSTED FAMILY CONTRIBUTION	340	740
	X FAMILY CONTRIBUTION PERCENTAGE	.0857	.0857
	TUITION OFFSET	29	63
<b>STEP SIX</b>	NET TUITION	1,886	1,886
	- TUITION OFFSET	29	63
	GRANT AMOUNT	1,857	1,823
	<b>ACTUAL GRANT (MAXIMUM)<sup>5</sup></b>	<b>1,857</b>	<b>1,823</b>
	MAXIMUM GRANT <sup>6</sup>	2,900	2,900
	MINIMUM GRANT <sup>7</sup>	<b>1,000</b>	<b>1,000</b>

<sup>1</sup> Previous year tuition at UW – Madison determined for TG purposes

<sup>2</sup> **Base Maintenance** is a number that is determined during the formula approval process.

<sup>3</sup> **EFC** is the individual student data retrieved from the FAFSA.

<sup>4</sup> **Inflation Factor** is similar to the Student Award Percentage in the WHEG formulas. This number can be manipulated during the formula approval process.

<sup>5</sup> **Actual Grant**: This number will increase or decrease for each school when actual tuitions are used for calculations. \$10,200 is used as an example tuition to show how Tuition Grants are calculated.

<sup>6</sup> **Maximum Grant** is set during the formula approval process.

<sup>7</sup> **Minimum Grant** is set during the formula approval process

**Wisconsin Tuition Grant  
2009-2010 Formula  
Table 2**

		DEPENDENT	INDEPENDENT
<b>STEP ONE</b>	TUITION	10,200	10,200
	(Tuition is set by each school: \$10,200 is used as an example.)		
	<b>- UW MADISON TUITION<sup>1</sup></b>	<b>7569</b>	<b>7569</b>
	NET TUITION	2,631	2,631
<b>STEP TWO</b>	TUITION	10,200	10,200
	(insert actual tuition charged)		
	<b>+ BASE MAINTENANCE<sup>2</sup></b>	<b>11,347</b>	<b>11,347</b>
	TOTAL COST	21,547	21,547
<b>STEP THREE</b>	NET TUITION	2,631	2,631
	DIVIDED BY TOTAL COST		
	FAMILY CONTRIBUTION PERCENTAGE	.1221	.1221
<b>STEP FOUR</b>	EXPECTED FAMILY CONTRIBUTION	100	100
	(Insert actual EFC <sup>3</sup> )		
	<b>X INFLATION FACTOR<sup>4</sup></b>	<b>327%</b>	<b>707%</b>
	ADJUSTED FAMILY CONTRIBUTION	327	707
<b>STEP FIVE</b>	ADJUSTED FAMILY CONTRIBUTION	327	707
	X FAMILY CONTRIBUTION PERCENTAGE		
	Tuition Offset	40	86
<b>STEP SIX</b>	NET TUITION	2,631	2,631
	- TUITION OFFSET		
	GRANT AMOUNT	2,591	2,545
	<b>ACTUAL GRANT (MAXIMUM)</b>	<b>2,591</b>	<b>2,545</b>
	MAXIMUM GRANT <sup>5</sup>	2,900	2,900
	MINIMUM GRANT <sup>6</sup>	<b>1,000</b>	<b>1,000</b>

<sup>1</sup> Previous year tuition at UW – Madison determined for TG purposes

<sup>2</sup> **Base Maintenance** is a number that is determined during the formula approval process.

<sup>3</sup> **EFC** is the individual student data retrieved from the FAFSA.

<sup>4</sup> **Inflation Factor** is similar to the Student Award Percentage in the WHEG formulas. This number can be manipulated during the formula approval process.

<sup>5</sup> **Maximum Grant** is set during the formula approval process.

<sup>6</sup> **Minimum Grant** is set during the formula approval process

ALVERNINO COLLEGE  
BELMONT COLLEGE  
CARDINAL STRITCH UNIVERSITY  
CARROLL UNIVERSITY  
CARTHAGE COLLEGE  
CONCORDIA UNIVERSITY  
EDGEWOOD COLLEGE  
LAKELAND COLLEGE  
LAWRENCE UNIVERSITY  
MARIAH 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

February 10, 2010

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

Dear Dr. Hutchison:

As required by state statute, I am transmitting to you WAICU's recommendation for the Wisconsin Tuition Grant (WTG) formula for the 2010–2011 academic year. I understand that the Higher Educational Aids Board (HEAB) will consider this recommendation at its meeting on February 26th.

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 adopt "SIM 2" on the attached spreadsheet as the formula for the 2010–2011 academic year. Based on our joint discussions, this formula appears to offer the best approach to preserve the stability of the program and predictability of awards, consistent with the available funding.

I want to thank you and Mary Lou Kuzdas for meeting with WAICU staff and the WAICU financial aid professionals in developing the formula. You, Mary Lou and the other HEAB staff continue to exemplify one of the most constructive working relationships between a state agency and a constituent group that I have ever experienced.

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: 2010–2011 Formula Simulations for Tuition Grant

c: WAICU Presidents  
WAICU Financial Aid Group

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President

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2010-2011 FORMULA SIMULATIONS FOR TUITION GRANT					
		BASE SIMULATION	BASE SIMULATION	SIM 1	SIM 2
		December 1, 2009	December 1, 2009	at 130.51%	at 130.51%
		2009-10	2009-10		
		W CODES SINCE 060309	ALL W CODES RELEASED		
<b>DEPENDENTS</b>	<b>APPLICANTS</b>	18,563	18,563	18,563	18,563
	<b>% OF APPLICANTS</b>	64.65%	64.65%	64.65%	64.65%
	<b>AWARDS</b>	8,475	9,335	7,484	7,517
	<b>% OF AWARDS</b>	68.83%	60.29%	60.07%	60.38%
	<b>% ELIGIBLE</b>	45.66%	50.29%	40.32%	40.49%
	<b>AVERAGE \$s</b>	\$2,801	\$2,808	\$2,810	\$2,810
	<b>\$s COMMITTED</b>	\$23,735,154	\$26,211,254	\$21,029,280	\$21,122,817
		69.05%	60.14%	59.97%	60.23%
<b>INDEPENDENTS</b>	<b>APPLICANTS</b>	10,148	10,148	10,148	10,148
	<b>% OF APPLICANTS</b>	35.35%	35.35%	35.35%	35.35%
	<b>AWARDS</b>	3,838	6,148	4,974	4,932
	<b>% OF AWARDS</b>	31.17%	39.71%	39.93%	39.62%
	<b>%ELIGIBLE</b>	37.82%	60.58%	49.01%	48.60%
	<b>AVERAGE \$\$</b>	\$2,772	\$2,826	\$2,823	\$2,827
	<b>\$s COMMITTED</b>	\$10,637,909	\$17,374,362	\$14,043,254	\$13,941,980
		30.95%	39.86%	40.05%	39.76%
<b>TOTALS</b>	<b>APPLICANTS</b>	28,711	28,711	28,711	28,711
	<b>AWARDS</b>	12,313	15,483	12,458	12,449
	<b>%ELIGIBLE</b>	42.89%	53.93%	43.39%	43.36%
	<b>AVERAGE \$\$</b>	\$2,792	\$2,815	\$2,815	\$2,817
	<b>\$s COMMITTED</b>	\$34,373,063	\$43,585,616	\$35,068,429	\$35,068,429
		100.00%	100.00%	100.00%	100.00%
<b>OVERAWARD</b>		130.51%	165.48%	130.51%	130.51%
	<b>NUMBER OF STUDENTS</b>	12,313	15,483	12,458	12,449
	<b>AVERAGE AWARD</b>	\$2,792	\$2,815	\$2,815	\$2,817
	<b>UW Tuition</b>	\$7,569	\$7,569	\$8,314	\$8,314
	<b>Dependent students</b>	327%	327%	340%	340%
	<b>Independent students</b>	707%	707%	707%	740%
	<b>Base Maintenance</b>	\$11,347	\$11,347	\$11,800	\$11,800
	<b>Max/Min Award</b>	2900/1000	2900/1000	2900/1000	2900/1000
	<b>Appropriation</b>	\$26,338,300	\$26,338,300	\$26,870,300	\$26,870,300
		12/2/2009	12/18/2009		