

DISCUSSION/ACTION
February 15, 2013

HIGHER EDUCATIONAL AIDS BOARD

BOARD REPORT #13-13

2013-14 WTG PROGRAM FORMULA

ALVERNO COLLEGE
BELLIN COLLEGE
BELOIT COLLEGE
CARDINAL STRITCH UNIVERSITY
CARROLL UNIVERSITY
CARTHAGE COLLEGE
COLUMBIA COLLEGE OF NURSING
CONCORDIA UNIVERSITY
EDGEWOOD COLLEGE
LAKELAND COLLEGE
LAWRENCE UNIVERSITY
MARIAN UNIVERSITY



WISCONSIN'S PRIVATE, NONPROFIT COLLEGES AND UNIVERSITIES
WORKING TOGETHER TO ADVANCE EDUCATIONAL OPPORTUNITY

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

February 1, 2013

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 for the Wisconsin Tuition Grant (WTG) formula for the 2013-2014 academic year. I understand that the Higher Educational Aids Board (HEAB) will consider this recommendation at its meeting on February 15, 2013.

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, and the WAICU recommendation for the State's 2013-15 Biennial Budget reflects that.

Based on discussions with the WAICU Financial Aid Group and HEAB staff, it is my recommendation that HEAB adopt the 2013-14 Option on the attached spreadsheet as the formula for the 2013-2014 academic year. Based on our consultations, this formula appears to offer the best approach to "do no harm" to current WTG recipients, and preserve the stability of the program and predictability of awards, consistent with our best estimates concerning available funding. Once the 2013-2015 Biennial Budget has been passed and signed, WAICU reserves the right to request a formula change that reflects any changed appropriation.

I want to thank Sherrie Nelson and Deanna Schultz for meeting with WAICU staff and the WAICU financial aid professionals in developing the formula. 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.

Mr. John Reinemann
February 1, 2013
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Should you have questions or concerns regarding the WAICU recommendations, please contact either me or Ms. Wendy Wink, WAICU Executive Vice President.

Sincerely,



Rolf Wegenke, Ph.D.
President

attachment: 2013-2014 Formula Simulation for Tuition Grant

C: WAICU Presidents
WAICU Financial Aid Directors Group

Wisconsin Tuition Grant, 2013-2014 Option
January 23, 2013

	2012-2013 BASE	2013-2014 OPTION
	(with 11/27/2012 apps)	(with 11/27/2012 apps)
	UW Tuition: \$9,672 Base Maintenance: \$10,500 Dependent: 340% Independent: 740%	UW Tuition: \$10,385 Base Maintenance: \$9,500 Dependent: 340% Independent: 740%
	W CODES 4-17-2012	W Codes 4-16-2013
DEPENDENTS		
APPLICANTS	19,442	19,442
% OF APPLICANTS	63.18%	63.18%
AWARDS	9,019	9,041
% OF AWARDS	67.75%	67.93%
% ELIGIBLE	46.39%	46.50%
AVERAGE \$s	\$2,830	\$2,831
\$s COMMITTED	\$25,523,416	\$25,590,942
INDEPENDENTS		
APPLICANTS	11,328	11,328
% OF APPLICANTS	36.82%	36.82%
AWARDS	4,293	4,268
% OF AWARDS	32.25%	32.07%
%ELIGIBLE	37.90%	37.68%
AVERAGE \$s	\$2,817	\$2,818
\$s COMMITTED	\$12,094,010	\$12,028,070
TOTALS		
APPLICANTS	30,770	30,770
AWARDS	13,312	13,309
%ELIGIBLE	43.26%	43.25%
AVERAGE \$s	\$2,826	\$2,827
\$s COMMITTED	\$37,617,426	\$37,619,012
% DOLLAR OVERAWARD	140.00%	140.00%
MAX/MIN AWARD	\$2,900/\$1,000	\$2,900/\$1,000
APPROPRIATION	\$26,870,300	\$26,870,300

**PROPOSED 2013-2014 FORMULAS
WISCONSIN TUITION GRANT**

**February 15, 2013
Board Report #13-13**

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: \$10,385

Base Maintenance: \$9,500

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

2012-2013 Appropriation: \$26,870,300

2011-2012 Appropriation: \$26,870,300

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

2009-2010 Appropriation: \$26,388,300

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

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

Current Year Spending: All of the 2012-2013 funds will be spent. Awards were suspended April 25, 2012.

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 2013-2014 Formula
Table 1**

		DEPENDENT	INDEPENDENT
STEP ONE	TUITION	14,000	14,000
	(Tuition is set by each school: \$11,200 is used as an example.)		
	- UW MADISON TUITION¹	10,385	10,385
	NET TUITION	3,615	3,615
STEP TWO	TUITION	14,000	14,000
	(insert actual tuition charged)		
	+ BASE MAINTENANCE²	9,500	9,500
	TOTAL COST	23,500	23,500
STEP THREE	NET TUITION	3,615	3,615
	DIVIDED BY TOTAL COST	23,500	23,500
	FAMILY CONTRIBUTION PERCENTAGE	.1538	.1538
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	.1538	.1538
	TUITION OFFSET	785	1708
STEP SIX	NET TUITION	3,615	3,615
	- TUITION OFFSET	785	1,708
	GRANT AMOUNT	2,830	1,907
	ACTUAL GRANT (MAXIMUM)⁵	2,830	1,907
	MAXIMUM GRANT ⁶	2,900	2,900
	MINIMUM GRANT ⁷	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 **Actual Grant**: This number will increase or decrease for each school when actual tuitions are used for calculations. \$11,200 is used as an example tuition to show how Tuition Grants are calculated.

⁶ **Maximum Grant** is set during the formula approval process.

⁷ **Minimum Grant** is set during the formula approval process

**Wisconsin Tuition Grant
2012-2013 Formula
Table 2**

		DEPENDENT	INDEPENDENT
STEP ONE	TUITION	14,000	14,000
	(Tuition is set by each school: \$11,200 is used as an example.)		
	- UW MADISON TUITION¹	9,672	9,672
	NET TUITION	4,328	4,328
STEP TWO	TUITION	14,000	14,000
	(insert actual tuition charged)		
	+ BASE MAINTENANCE²	10,500	10,500
	TOTAL COST	24,500	24,500
STEP THREE	NET TUITION	4,328	4,328
	DIVIDED BY TOTAL COST		
	FAMILY CONTRIBUTION PERCENTAGE	.1767	.1767
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		
	TUITION OFFSET	901	1961
STEP SIX	NET TUITION	4,328	4,328
	- TUITION OFFSET	901	1961
	GRANT AMOUNT	3,427	2,367
	ACTUAL GRANT (MAXIMUM)⁵	2,900	2,367
	MAXIMUM GRANT ⁶	2,900	2,900
	MINIMUM GRANT ⁷	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.

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