



Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

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Joint Committee on Finance

Paper #464

Minority Undergraduate Retention Grant (HEAB)

Bill Agency

[LFB 2007-09 Budget Summary: Page 354, #10]

CURRENT LAW

The minority undergraduate retention grant (MURG) program provides need-based grants to Wisconsin resident minority undergraduates, excluding freshmen, who are enrolled at least half-time at a Wisconsin technical college, tribal college, or private, nonprofit, postsecondary institution in the state. By statute, a minority student is defined as a student who is African American, American Indian, Hispanic, or from Cambodia, Laos, or Vietnam and admitted to the U.S. after December 31, 1975. Total funding for this program is \$756,900 GPR in 2006-07.

GOVERNOR

Provide \$19,000 GPR in 2007-08 and \$38,000 GPR in 2008-09 to increase funding for the minority undergraduate retention grant program by 2.5% in 2007-08 and 2.4% in 2008-09.

DISCUSSION POINTS

1. In 2005-06, \$752,284 was awarded to 748 students through the MURG program. Of this amount, \$384,874 was awarded to 456 technical college students, \$334,545 was awarded to 264 private college students, and \$32,865 was awarded to 28 tribal college students. The average award across all sectors was \$1,006. For technical college students, the average award was \$844; for private college students it was \$1,267; and for tribal college students it was \$1,173.

2. Base level funding for the MURG program is \$756,900. Funding for the program has not increased since 2002-03. Over the same period of time, fees charged by WTCS institutions for post-secondary and vocational-adult programs have increased by 29.9% and tuition at the 20 Wisconsin Association of Independent Colleges and Universities (WAICU) member institutions have increased by an average of 23.2%. Since that time, the Higher Educational Aids Board (HEAB) has increased the number of grants awarded and decreased the average award amount. If base level funding for the MURG program is maintained, HEAB would be able to grant the same number of awards and maintain the average award amount. However, as tuition at these institutions continues to increase, MURG awards would cover a smaller amount of student costs.

3. SB 40 would provide increases of 2.5% in 2007-08 and 2.4% in 2008-09 for the tuition grant (TG) program and the Wisconsin higher education grant (WHEG) program for technical college students. The TG program provides need-based grants to Wisconsin resident undergraduates enrolled at least half-time in accredited, private, nonprofit postsecondary institutions. The WHEG program for technical college students provides need-based grants to Wisconsin resident undergraduates enrolled at least half-time at a Wisconsin technical college.

4. The MURG program does not provide grants to UW System students. Instead, there is the separate Lawton minority undergraduate retention program (Lawton), which provides need-based grants to minority undergraduates, excluding freshmen, who are enrolled at least half-time at UW System institutions. Funding for the Lawton program is appropriated under the UW System, which administers the program. Increases in the Lawton program are statutorily linked to the average percentage increase in resident undergraduate tuition in the UW System.

5. In late March, the WTCS Board announced that tuition will increase by 5.8% systemwide in 2007-08. Similar information is not yet available for WAICU member institutions. However, WAICU member institutions increased by an average of 5.4% annually over the last four years. As an alternative to the SB 40 funding levels, the Committee could provide 5.6% annual increases, which would equal the average of these recent increases in tuition.

ALTERNATIVES TO BILL

1. Approve the Governor's recommendation, which would increase funding by 2.5% in 2007-08 and 2.4% in 2008-09.

ALT 1	Change to Bill Funding	Change to Base Funding
GPR	\$0	\$57,000

2. Increase funding by \$23,400 in 2007-08 and \$49,200 in 2008-09. This would provide increases in program funding of 5.6% in each year of the biennium, which would be equal to recent average of tuition increases at WTCS institutions and WAICU member institutions.

ALT 2	Change to Bill Funding	Change to Base Funding
GPR	\$72,600	\$129,600

3. Delete provision.

ALT 3	Change to Bill Funding	Change to Base Funding
GPR	-\$57,000	\$0

Prepared by: Emily Pope