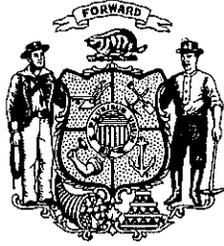


State of Wisconsin

SENATE CHAIR
Alberta Darling

317 East, State Capitol
P.O. Box 7882
Madison, WI 53707-7882
Phone: (608) 266-5830



ASSEMBLY CHAIR
John Nygren

309 East, State Capitol
P.O. Box 8593
Madison, WI 53708-8953
Phone: (608) 266-2343

Joint Committee on Finance

MEMORANDUM

To: Members
Joint Committee on Finance

From: Senator Alberta Darling
Representative John Nygren

Date: October 10, 2017

Re: 14-Day Passive Review Approval – HEAB

Pursuant to 2017 Wisconsin Act 59, attached is a 14-day passive review request from the State of Wisconsin Higher Educational Aids Board, received on October 10, 2017.

Please review the material and notify **Senator Darling** or **Representative Nygren** no later than **Friday, October 27, 2017**, if you have any concerns about the request or if you would like the Committee to meet formally to consider it.

Also, please contact us if you need further information.

Attachments

AD:JN:jm



State of Wisconsin
Higher Educational Aids Board

P.O. Box 7885
Madison, WI 53707-7885

Telephone: (608) 267-2206
Fax: (608) 267-2808

E-Mail: HEABmail@wisconsin.gov

Web Page: <http://heab.wisconsin.gov>

Scott Walker
Governor

John Reinemann
Executive Secretary

October 9, 2017

The Honorable Senator Alberta Darling, Co-Chair
The Honorable Representative John Nygren, Co-Chair
Joint Committee on Finance
State Capitol
Madison, WI 53702

OCT 10 2017

J. Finance

Re: Change to Wisconsin Grant formula for 2017-18 School Year for Private-Nonprofit schools

Dear Senator Darling, Representative Nygren and Members:

This morning the HEAB Board met at the request of WAICU, the Wisconsin Association of Independent College and Universities. WAICU requested the meeting in order that the HEAB Board might approve a change to the formula used for the Wisconsin Grant.

The Wisconsin Grant is HEAB's largest and oldest grant program providing assistance to Wisconsin residents enrolled in post-secondary schools. It is a need-based grant. The program serves four academic sectors, and the grant is awarded to students according to a formula. The formulas are separate for each of the four academic sectors whose students can receive the grant; the change sought by WAICU would affect only students in its own sector, and thus not students at UW campuses, at WTCS campuses, or at the state's tribal colleges. The formula change does not (of course) change the appropriation for the program.

The accompanying letter from WAICU President Dr. Rolf Wegenke to the HEAB Board, explains the change and the rationale for it. This morning, the HEAB Board voted to approve the requested change.

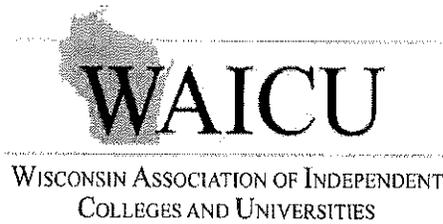
Under the terms of 2017 Wisconsin Act 59, changes to any sector's Wisconsin Grant formula in midyear must be referred to your committee for 14-day passive review. I write today to refer this change to your committee for that process.

Please contact me if you have any questions and thank you for your attention to this matter.

Sincerely,

John Reinemann,
Executive Secretary

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

October 4, 2017

Mr. John Reinemann
Executive Secretary
Higher Educational Aids Board
131 W. Wilson Street, Suite 902
Madison, WI 53702

Dear Mr. Reinemann,

As directed by Wisconsin statute, I recommend a modification to the Wisconsin Grants formula to reflect the five percent increase in Wisconsin Grants funding for low-income Wisconsin students attending private, nonprofit colleges and universities. I am grateful that the Governor and the Legislature recognize the power that Wisconsin Grants have for students as they pursue their dreams of a college education and prepare to become productive citizens and participants in Wisconsin's workforce. The Wisconsin Grant is designed to assist Wisconsin's neediest students and allow them the opportunity to choose the institution that is best suited for them.

The current formula for the 17-18 academic year (set in November of 2016) sets the maximum grant at \$2900 and the minimum grant at \$1000. The current formula also sets an inflation factor for dependent students at 340 percent and an inflation factor for independent students at 740 percent. For the last several years, I have recommended no changes to the formula due to flat funding in a continuing effort to "do no harm" to current students in mid-career.

Given the increase in the appropriation, I recommend that the maximum award for the 2017-18 academic year be set at \$3150 – up from \$2900 and the minimum award continue to be set at \$1000. This change provides a boost to the level of award to students – especially those students with the greatest financial need and given applicants are up this academic year, attempts to ensure as many students as possible can access the grant. I also recommend the inflation factor for independent students be reduced from 740 percent to 640 percent. This factor has been level for many years and the change will offer more independent students the opportunity to receive a Wisconsin Grant. No other changes to the formula are recommended at this time.

Spending on the grants is very dependent on enrollments and the specific economic needs of the actual applying students. Thus, the projected spending results are a moving target. The simulation process, using historic data and best estimates, is useful in predicting spending, but can never be exact as to future actual conditions. For these reasons, I reserve the right to again recommend modification in the formula.

122 W. Washington Avenue, Suite 700
Madison, WI 53703-2723
www.waicu.org

ROLF WEGENKE, Ph.D.
President

Telephone 608.256.7761
mail@waicu.org
www.wisconsinprivatecolleges.org

WAICU members do not receive direct operating support from the state as do public institutions. WAICU members do, however, provide over \$500 million annually in privately raised dollars in grants and scholarships directly to students. WAICU members educate nearly 58,000 students each year and graduate 27 percent of the state's bachelor's degrees and 37 percent of the state's graduate degrees. The Wisconsin Grant program for the private, nonprofit sector provides a significant return on investment for the State of Wisconsin.

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 among independent and dependent students.

I want to thank you and the HEAB staff, (particularly Sherrie Nelson and Tegan McGillivray), for working with WAICU staff and WAICU Financial Aid Directors in developing the formula and examining the possible results. HEAB staff continue to promote a positive and constructive working relationship. WAICU staff, WAICU-member financial aid directors, and I sincerely appreciate their responsiveness and professionalism.

Should you have questions or concerns regarding this WAICU recommendation, please contact me or Ms. Rebecca Larson, WAICU Senior Vice President for Advocacy.

Sincerely,



Rolf Wegenke, Ph.D.
President

C: WAICU Presidents
WAICU Financial Aid Directors Group