

**DISCUSSION/ACTION**  
**November 2, 2018**

**HIGHER EDUCATIONAL AIDS BOARD**

**BOARD REPORT #19-11**

**2019-20 WISCONSIN GRANT-PNP PROGRAM FORMULA**

ALVERNO COLLEGE  
BELLIN COLLEGE  
BELOIT COLLEGE  
CARDINAL STRITCH UNIVERSITY  
CARROLL UNIVERSITY  
CARTHAGE COLLEGE  
CONCORDIA UNIVERSITY  
EDGEWOOD COLLEGE  
HERZING UNIVERSITY  
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 OF THE HOLY FAMILY  
VITERBO UNIVERSITY  
WISCONSIN LUTHERAN COLLEGE

October 30, 2018

Mr. John Reinemann  
Executive Secretary  
Higher Educational Aids Board  
4822 Madison Yards Way – N7  
Madison, WI 53705

Dear Mr. Reinemann,

As directed by Wisconsin statute, I am forwarding my recommendation for the Wisconsin Grants formula for the 2019-20 academic year for low-income Wisconsin students attending private, nonprofit colleges and universities. I am grateful that the Governor and the Legislature increased the appropriation for the 2017-19 biennium recognizing that Wisconsin Grants are a critical investment in Wisconsin's future workforce.

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 students needing the most support 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. Accordingly, for the 2019-20 academic year, I recommend the maximum award for the private, nonprofit grant be set at \$3300 and the minimum award continue to be set at \$1000. This adjustment will increase the grant maximum by \$72 over the previous academic year to reflect the 5 percent increase in the 2017-19 Wisconsin Grants appropriation. I also recommend the inflation factor for independent students be set at 620 percent and the base maintenance factor be set at \$9000. These, essentially technical, changes will increase the number of eligible award recipients, provide an increase in the average grant award, and help to ensure independent students who qualify receive an equitable share. The Wisconsin Grants is a targeted way to direct dollars to low-income individuals to gain a postsecondary credential which otherwise would be beyond their reach. The grant helps low-income Wisconsin students persist to graduation and go on to fill critical workforce shortages in today's job market.

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. For every \$1 in state grants, students in the WAICU sector receive \$18 in private or institutional aid. WAICU members are significant contributors to Wisconsin's workforce, educating nearly 56,000 students each year and graduating 24 percent of the state's

bachelor's degrees and 35 percent of the state's graduate degrees. The Wisconsin Grants program for low-income student attending a private, nonprofit institution provides a significant return on investment for Wisconsin's economy.

Wisconsin continues to face critical workforce shortages, and the jobs of today and tomorrow increasingly require a credential beyond high school. The Georgetown Center for Education and the Workforce predicts by the year 2020, 65 percent of the jobs in the economy will require a postsecondary credential. Currently, 47 percent of Wisconsin's working age population hold a postsecondary credential. To address this gap in attainment, I recommended in July of this year to the Higher Educational Aids Board that Wisconsin seek to increase the Wisconsin Grants appropriation by 62 percent for all sectors, a \$135 million-dollar increase. This increase would match the investment in state student financial aid made by our neighboring state, Minnesota, which boasts an attainment rate that is nearly ten percentage points higher than Wisconsin's. Wisconsin must take bold steps to increase the percentage of individuals with a postsecondary credential. Wisconsin Grants is a proven and targeted way to provide student opportunity and help the state of Wisconsin meet its workforce needs.

As you know, 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. WAICU and WAICU members work very closely with HEAB staff to ensure all qualified applicants receive a grant and enrollment lists are as up-to-date as possible. 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 should actual experience with Wisconsin Grants necessitate change.

The development of this formula recommendation is the direct result of the hard work of Sherrie Nelson and Joy Dyer, WAICU staff and WAICU Financial Aid Directors. HEAB staff continue to work tirelessly to promote a positive and constructive working relationship. I know WAICU staff, and WAICU-member financial aid directors appreciate HEAB's responsiveness, professionalism, and dedication.

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

WAICU  
Recommendation  
October 2018

<b>WG-PNP FORMULA FACTORS FOR 2019-20</b>	
<b>UW Tuition</b>	\$10,556
<b>Base Maintenance</b>	\$9,000
<b>Dependent Inflation Factor</b>	340%
<b>Independent Inflation Factor</b>	620%
<b>Maximum Award</b>	\$3,300
<b>Minimum Award</b>	\$1,000

**PROPOSED 2019-20 FORMULA  
WISCONSIN GRANT-PRIVATE, NON-PROFIT (PNP)**

**November 2, 2018  
Board Report #19-11**

**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 will approve the Wisconsin Grant-PNP formula for the upcoming school year at its November meeting because of the change in FAFSA filing.

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: \$3,300

Minimum award: \$1,000

Inflation Factors: Dependent 340%                      Independent 620%

UW-Madison Tuition: \$10,556

Base Maintenance: \$9,000

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:

**2019-2020 Appropriation: \$28,504,600**

2018-2019 Appropriation: \$28,504,600

2017-2018 Appropriation: \$26,870,300

2016-2017 Appropriation: \$26,870,300

2015-2016 Appropriation: \$26,870,300

2014-2015 Appropriation: \$26,870,300

**Current Year Spending:** All of the 2018-19 funds will be spent.

**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 2019-20 Formula  
Table 1**

		DEPENDENT	INDEPENDENT
<b>STEP ONE</b>	TUITION	14,000	14,000
	(Tuition is set by each school: \$14,000 is used as an example.)		
	<b>- UW MADISON TUITION<sup>1</sup></b>	<b>10,556</b>	<b>10,556</b>
	NET TUITION	3,444	3,444
<b>STEP TWO</b>	TUITION	14,000	14,000
	(insert actual tuition charged)		
	<b>+ BASE MAINTENANCE<sup>2</sup></b>	<b>9,000</b>	<b>9,000</b>
	TOTAL COST	23,000	23,000
<b>STEP THREE</b>	NET TUITION	3,444	3,444
	DIVIDED BY TOTAL COST	23,000	23,000
	FAMILY CONTRIBUTION PERCENTAGE	.1497	.1497
<b>STEP FOUR</b>	EXPECTED FAMILY CONTRIBUTION	1500	1500
	(Insert actual EFC <sup>3</sup> )		
	<b>X INFLATION FACTOR<sup>4</sup></b>	<b>340</b>	<b>620</b>
	ADJUSTED FAMILY CONTRIBUTION	5,100	9,300
<b>STEP FIVE</b>	ADJUSTED FAMILY CONTRIBUTION	5,100	9,300
	X FAMILY CONTRIBUTION PERCENTAGE	.1497	.1497
	TUITION OFFSET	763	1392
<b>STEP SIX</b>	NET TUITION	3,444	3,444
	- TUITION OFFSET	763	1,392
	GRANT AMOUNT	2,681	2,052
	<b>ACTUAL GRANT (MAXIMUM)<sup>5</sup></b>	<b>2,681</b>	<b>2,052</b>
	MAXIMUM GRANT <sup>6</sup>	3,300	3,300
	MINIMUM GRANT <sup>7</sup>	<b>1,000</b>	<b>1,000</b>

<sup>1</sup> Previous year tuition at UW – Madison determined for WG-PNP 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 other Wisconsin Grant sector 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. \$14,000 is used as an example tuition to show how Wisconsin Grant-PNP awards 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 Grant-PNP  
2018-19 Formula  
Table 2**

		DEPENDENT	INDEPENDENT
<b>STEP ONE</b>	TUITION	14,000	14,000
	(Tuition is set by each school: \$14,000 is used as an example.)		
	<b>- UW MADISON TUITION<sup>1</sup></b>	<b>10,488</b>	<b>10,488</b>
	NET TUITION	3,512	3,512
<b>STEP TWO</b>	TUITION	14,000	14,000
	(insert actual tuition charged)		
	<b>+ BASE MAINTENANCE<sup>2</sup></b>	<b>8,500</b>	<b>8,500</b>
	TOTAL COST	22,500	22,500
<b>STEP THREE</b>	NET TUITION	3,512	3,512
	DIVIDED BY TOTAL COST	22,500	22,500
	FAMILY CONTRIBUTION PERCENTAGE	.1561	.1561
<b>STEP FOUR</b>	EXPECTED FAMILY CONTRIBUTION	1500	1500
	(Insert actual EFC <sup>3</sup> )		
	<b>X INFLATION FACTOR<sup>4</sup></b>	<b>340</b>	<b>640</b>
	ADJUSTED FAMILY CONTRIBUTION	5,100	9,600
<b>STEP FIVE</b>	ADJUSTED FAMILY CONTRIBUTION	5,100	9,600
	X FAMILY CONTRIBUTION PERCENTAGE	.1561	.1561
	TUITION OFFSET	796	1,498
<b>STEP SIX</b>	NET TUITION	3,512	3,512
	- TUITION OFFSET	796	1,498
	GRANT AMOUNT	2,716	2,014
	<b>ACTUAL GRANT (MAXIMUM)<sup>5</sup></b>	<b>2,772</b>	<b>2,014</b>
	MAXIMUM GRANT <sup>6</sup>	3,228	3,228
	MINIMUM GRANT <sup>7</sup>	<b>1,000</b>	<b>1,000</b>

<sup>1</sup> Previous year tuition at UW – Madison determined for WG-PNP 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.

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

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