

HIGHER EDUCATIONAL AIDS BOARD BIENNIAL BUDGET SUMMARY

REVIEW OF 2011-2013 BIENNIAL BUDGET REQUEST

The Board will review the biennial budget summary to determine if recommendations should be presented to the Special Legislative Council Committee on Review of Higher Education Financial Aid Programs. The Legislative Council Special Committee on Review of Higher Education Financial Aid Programs is directed to review current laws relating to financial aid for higher education in order to improve student access to higher education, maximize utilization of higher education resources, and retain qualified graduates in Wisconsin.

TUITION GRANT

HEAB requests that the Wisconsin Tuition Grant be increased by \$1,477,900 in FY11-12 and \$3,037,100 for FY12-13 to increase funding for the WTG by 5.5% in each year of the biennium. The requested increase was developed using a proposed legislative formula (see DIN 7005, proposed statutory language changes) which ties WTG increases to UW tuition increases. There is precedent for tying Tuition Grant funding to UW-Madison tuition: the statutory formula in s.39.30 for determining individual student grants includes UW tuition as a critical factor.

Background: The number of students receiving the Tuition Grant will decrease if there is no additional money. Additionally, there are not enough funds under the current appropriation to provide all eligible students with grants. This requested increase attempts to provide grants to an increased number of needy students in the upcoming biennium.

Corresponding Statutory Language Change: Tuition Grants: HEAB requests a statutory language change linking the Wisconsin Tuition Grant appropriation to UW tuition, while continuing to allow carry forward and/or back within the biennium.

A statutory language change linking the Wisconsin Tuition Grant appropriation to UW tuition could help begin closing the gap between student need and available Tuition Grant funds. The proposed link would increase each grant's prior year appropriation by an amount equal to the percentage increase in UW tuition, or an amount equal to the dollar increase in UW tuition multiplied by the number of students who would receive the grant, as estimated by HEAB, whichever is greater. This language should continue to allow carrying funds forward and/or back within the biennium.

WHEG WTCS

HEAB requests an increase of \$11,000,000 in FY 11-12 and an additional \$12,400,000 in FY 12-13.

Background: Significant numbers of WTCS students have limited financial resources; in 2008-09 academic year, 64,091 WTCS students (17.8% of statewide enrollment) qualified as economically disadvantaged under federal definitions. However, funding for the WTCS WHEG grants has not met demand in several years. In 2009-10 nearly 25,000 WTCS students did not receive the WHEG award for which they were eligible because the WTCS WHEG is woefully underfunded. This increase would help ensure continued access for the growing number of WTCS students needing financial assistance to attend college.

Corresponding Statutory Language Change: HEAB requests a statutory language change linking the WHEG–WTCS appropriation to tuition (program fee) increases, while continuing to allow carry forward and/or back within the biennium.

WHEG UW

HEAB requests an increase of \$13,807,800 in FY 11-12 and an additional increase of \$29,059,600 in FY 12-13. Additionally, HEAB requests that statutory language of the WHEG-UW program be modified to provide that each student’s WHEG-UW award will increase by at least the same dollar amount as the dollar increase in undergraduate tuition, thereby granting a “dollar-for-dollar” hold harmless increase to eligible UW system students (see DIN 7005, proposed statutory language changes).

Background: The UW Board of Regents has made it a priority to increase opportunities for low- and middle-income students to participate in public higher education in Wisconsin. However, fiscal pressures, including increased unemployment, have reduced family incomes and greatly increased the demand for financial aid, especially in need-based programs such as WHEG-UW. This funding request and corresponding statutory language changes would help ensure that more students receive the financial aid for which they are eligible and it would ensure that each WHEG recipient’s award grows by at least the same dollar amount as the increase in undergraduate academic student fees.

Corresponding Statutory Language Change: HEAB proposes a statutory language change which provides that WHEG-UW awards will increase by at least the same dollar amount as the dollar increase in undergraduate tuition; a hold-harmless provision.

WHEG Tribal

HEAB requests increases of \$31,000 in FY 11-12, bringing the total appropriation to \$475,000 and \$60,000 in FY 12-13, bringing the total appropriation to \$500,000 in FY 12-13. Funds for WHEG – Tribal Colleges would continue to come from gaming revenues.

Background: The current funding of WHEG–Tribal is insufficient to meet the needs of the students. Many students who are financially eligible to receive this grant do not receive funds due to scarce dollars.

MINORITY UNDERGRADUATE RETENTION GRANT

HEAB recommends increases in the Minority Undergraduate Retention grants of \$81,900 in FY 2011-12 and \$172,000 in FY 2012-13. Students in technical colleges, tribal colleges and in the private/independent colleges and universities would be affected. UW students are eligible for Lawton Grants, a similar program administered by UW System.

Background: The growth in minority enrollments in the technical colleges and the private and independent colleges and universities has outpaced minimal increases in the Minority Undergraduate Retention Grant program, resulting in many more students eligible for the program than can receive grants. Additional funds would help attract more low-income minority students to higher education and would aid in efforts to retain students through degree completion.

Corresponding Statutory Language Change: Link annual increases in the Wisconsin Minority Undergraduate Retention Grant to UW tuition increases, similar to the link currently in statute for the Lawton Grant, by adopting the provisions of 2007 Senate Bill 450/Assembly Bill 780. Those provisions are:

Increase each grant's prior year appropriation by an amount equal to the average percentage by which the undergraduate academic fees that will be charged for the next academic year at each institution within the UW System, as estimated by HEAB, will increase from the undergraduate academic fees charged for the current academic year;

Or

Increase each grant's prior year appropriation by an amount equal to the dollar increase in UW tuition multiplied by the number of students who will be receiving the respective grants for the next academic year, as estimated by the HEAB board.

DENTAL CONTRACT – MARQUETTE UNIVERSITY SCHOOL OF DENTISTRY

In accordance with the recommendations of the 2004 Governor's Task Force on Oral Health Care, HEAB requests: 1) increase the number of Wisconsin resident dental students at Marquette University School of Dentistry (MUSOD) to 50 per class, and 2) increase the tuition subsidy from \$8,665 to \$11,670 per Wisconsin resident student per year: the first recommendation to be implemented in the Fall of 2012 and be phased in over four years; the second recommendation to be implemented in the fall of 2011.

Background: From 1994-95 to 2002-03 the tuition subsidy was \$11,670. In 2003 the subsidy was reduced to \$8,753 per resident and in 2009, the tuition subsidy was further decreased by 1% to \$8,665 per resident. However; from 1997 to 2007, 80.3% of Wisconsin resident graduates of MUSOD have stayed in Wisconsin to practice dentistry, while only 12.8% of non-resident graduates have remained in Wisconsin. Opening doors for more Wisconsin residents to attend MUSOD could help address the growing need for dental care in our state.