

DISCUSSION/ACTION
February 1, 2008

HIGHER EDUCATIONAL AIDS BOARD

BOARD REPORT #08-10

2008-09 WHEG - WTCS PROGRAM FORMULA

WISCONSIN HIGHER EDUCATION GRANT (WHEG)

Introduction

HEAB administers three WHEG programs; Wisconsin Technical College System, Wisconsin Tribal Colleges, and University of Wisconsin System. The general structure for the WHEG formulas is outlined in the State Statutes. The Higher Educational Aids Board reviews and approves the formulas for the upcoming school year at its February meeting. There are three components in the formula:

$$(\text{Student Budget} - \text{Expected Family Contribution}) \times \text{Student Award Percentage} = \text{Award}$$

Student Budget: The cost of education for the student. It can include tuition, room, board, and other expenses. It is different for all three WHEG programs. However, within each program, the student budget is the same for all students. The Student Budgets are set by the HEAB board as part of the formula approval process.

Expected Family Contribution (EFC): Amount that student or student's family is expected to contribute. The EFC is calculated by the Federal Government when the student applies for Financial Aid using the FAFSA¹. It is an individually calculated amount based on the financial information provided by each student during the application process.

Student Award Percentage: Percent of **student budget** (less **EFC**) used to calculate individual financial aid awards. It is also used to determine the maximum grant that can be awarded to any student. It is different for all three WHEG programs. However, within each program (Tribal Colleges, Wisconsin Technical Colleges and University of Wisconsin Institutions) the Student Award Percentage is the same for all students. The Student Award Percentage is set by the HEAB board as part of the formula approval process.

To calculate individual financial aid awards:

$$(\text{Student Budget} - \text{Expected Family Contribution}) \times \text{Student Award Percentage} = \text{Award}$$

To calculate the maximum award in any of the WHEG programs:

$$\text{Student Budget} \times \text{Student Award Percentage} = \text{Maximum Award}$$

Factors That Affect the WHEG Programs

Appropriation: There are separate appropriations for each of the WHEG programs – Tribal Colleges, Wisconsin Technical Colleges and University of Wisconsin Campuses. These appropriations are determined during the state's biennial budget process. The appropriations are not sum sufficient, meaning that when all funds are obligated to the remaining eligible students do not receive awards. The date the application is received by HEAB determines which eligible students will or will not receive awards.

Changing the Student Budget: If increased, the grant awarded to each student is increased

Changing the Student Award Percentage: If increased, the amount awarded to each student increases

¹ Students apply for financial aid on-line through the Federal Government's Webpage or complete a paper copy. A copy of this application, called the Free Application for Federal Student Aid (FAFSA), can be found at www.fafsa.ed.gov.

**PROPOSED 2008-2009 FORMULA
WISCONSIN HIGHER EDUCATION GRANT
WISCONSIN TECHNICAL COLLEGE SYSTEM**

**February 1, 2008
BOARD REPORT #08-10**

Recommendation of the Wisconsin Technical College System President Dan Clancy:

(\$8,500 – EFC) x 13% = Award

(Student Budget – Expected Family Contribution) x Student Award Percentage = Award

Maximum Award: \$1,105 Minimum Award: \$429

(See attached letter.)

Recommendation of the Executive Secretary

Agrees with the recommendation of President Clancy

Other Information

2008-2009 Appropriation: \$17,548,000

Current Formula:

(\$8,000 – EFC) x 12.5% = Award

(Student Budget – Expected Family Contribution) x Student Award Percentage = Award

Maximum Award: \$1,000 Minimum Award: \$350

0708 Appropriation: \$17,130,200

Current Year Spending: All of the 2007-2008 funds will be spent. Awards were suspended November 27, 2007. No new awards have been processed since that time.

Applicants: As of January 15, 2008 there are 57,633 applicants compared to 55,544 at this time last year.



January 25, 2008

Ms. Connie Hutchison
Executive Secretary
Higher Educational Aids Board
131 West Wilson Street
Madison WI 53707-7885

Dear Secretary Hutchison:

I am submitting to you the Wisconsin Technical College System's recommendation for the 2008-2009 WHEG formula. The formula was developed with the input of technical college financial aid administrators and student services administrators.

2008-2009 WTCS WHEG FORMULA

Single Formula—Independent/Dependent Students

Student Budget	\$8,500
Award Percentage	13%
Maximum Award	\$1105
Minimum Award	\$430

Should additional funds become available, I would request the opportunity to modify this recommendation.

For 2008-2009, we recommend increasing the student budget used for the WHEG formula from \$8,000 to \$8,500, to continue to make progress toward a more realistic picture of WTCS student costs. We recommend raising the level of the maximum award for the neediest student to \$1,105. This is necessary to address the high unmet financial need of technical college students, which continues to be higher than for students in other Wisconsin higher education sectors. For the third straight year, we recommend increasing the minimum award level, this time to \$430, to help focus assistance on those with the greatest need.

I would also like to make you aware of the updated set of WTCS WHEG goals that were developed with the technical college financial aid directors. These goals reflect a level of support for the WTCS WHEG program that would allow us to reasonably meet the needs of technical college students.

- Serve the same or a greater number of technical college students
- Continue to serve technical college students with the highest unmet need
- Increase the maximum award amount to at least \$1,750 in order to meet at least 20 percent of a student's calculated financial need

Daniel Clancy, President

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- Have the ability to make awards in the second semester for January starters, in recognition of the non-traditional enrollment patterns of many technical college students
- Tie the WTCS WHEG allocation to WTCS tuition levels over the past three years, in the same way that statute links the University of Wisconsin's WHEG allocation to tuition
- Fully expend the WTCS's WHEG allocation each year
- Maintain student eligibility requirements at six credits and Wisconsin residency, the same as for University of Wisconsin students
- Keep one WHEG formula that applies to both dependent and independent students
- Continue to use the federal methodology to calculate student financial need

While many of these goals are not achievable under the current WHEG appropriation level, they set the direction in which we must work to offer adequate financial aid support to our technical college students. I appreciate the Higher Education Aid's Board's efforts to increase the appropriation for the WTCS's WHEG, and I look forward to continuing to work with you in the future to secure a better level of support for our students.

Thank you for your staff's assistance in providing vital information for developing our recommendation. We are pleased to offer this recommendation for your consideration.

Sincerely,

A handwritten signature in cursive script that reads "Daniel Clancy".

Daniel Clancy
President