



# Review of Regent Policy on Tuition and Financial Aid

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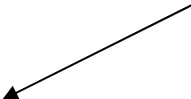
# Outline

- Review of Tuition and Financial Aid Policy
- 2005-07 Financial Aid Budget Request
- Overview of Financial Aid to UW Students
- WHEG Program

## **Review of Tuition and Financial Aid**

**It shall be the policy for the UW System to bring tuition for undergraduate residents at UW-Madison and UW-Milwaukee to the midpoint of the Big Ten, and the comprehensive institutions to the midpoint of their peer institutions. The distance to the midpoint will be reviewed at the beginning of the biennium. The UW Colleges will maintain the same percentage relationship to the comprehensive universities as exists in 1990-91 (82%).**

**Added to Tuition Policy Principles in October, 1990.**



**Removed from Tuition Policy Principles in October, 1992**



## Barriers to Reaching Peer Median

- 1992 – Board limited in tuition expenditures
- Today – Board limited in ability to set resident undergraduate tuition

# Statutory Limitations – Resident Undergraduate Tuition

- The Board may not increase resident undergraduate tuition beyond an amount sufficient to fund:
  - Additional tuition authority provided in the biennial budget
  - Compensation and fringe benefits
  - Any projected loss in revenue caused by enrollment changes in the previous year
  - State-imposed costs not covered by GPR, as determined by the Board
  - Distance education, nontraditional courses and intersession courses
  - Differential tuition

# Regent Tuition Policy Principles

- Tuition and financial aid in the UW System should balance educational quality, access, and ability to pay.
- Tuition increases should be moderate and predictable, subject to the need to maintain quality.
- GPR financial aid and graduate assistant support should “increase at a rate no less than that of tuition ...”

# Financial Aid Policy Goals from Charting a New Course

- Access: Ensure all qualified Wisconsin high school graduates equal access to attend a UW institution, regardless of income.
- Retention: Reduce the financial barriers for low-income UW students so they can remain in school and thus complete their degrees in a timely fashion.
- Brain Gain: Use targeted financial aid incentives to encourage UW graduates to work in Wisconsin after graduation, and provide incentives to retrain Wisconsin citizens for key fields.

## **2005-07 Biennial Budget Financial Aid Request (UW System and HEAB)**

- Auxiliary Replacement – GPR to maintain 03-05 financial aid increases
- Statutory Increases – Percentage increase to State financial aid program appropriations
- Hold Harmless – Provide a grant to match the dollar increase in tuition

## 2005-07 Biennial Budget Governor's Recommendation

### Included:

- Auxiliary Replacement: \$37 million  
(UW & HEAB)
- Statutory Increases: \$16.3 million  
(UW & HEAB)
- Additional WHEG Increase: \$4 million in  
2006-07 (HEAB)

### Not Included:

- Hold Harmless Request: \$26.1 million

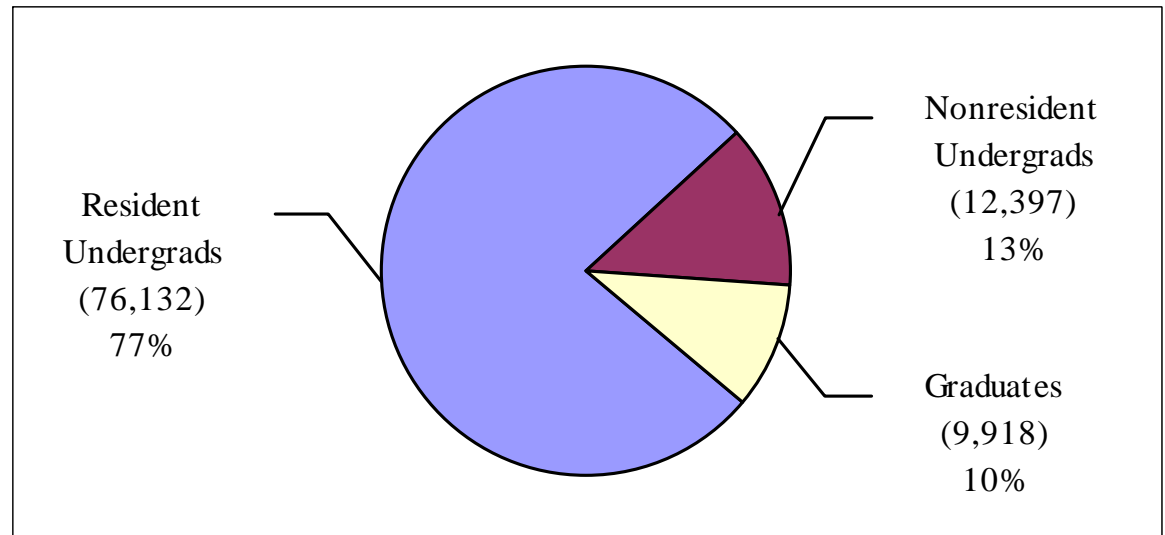
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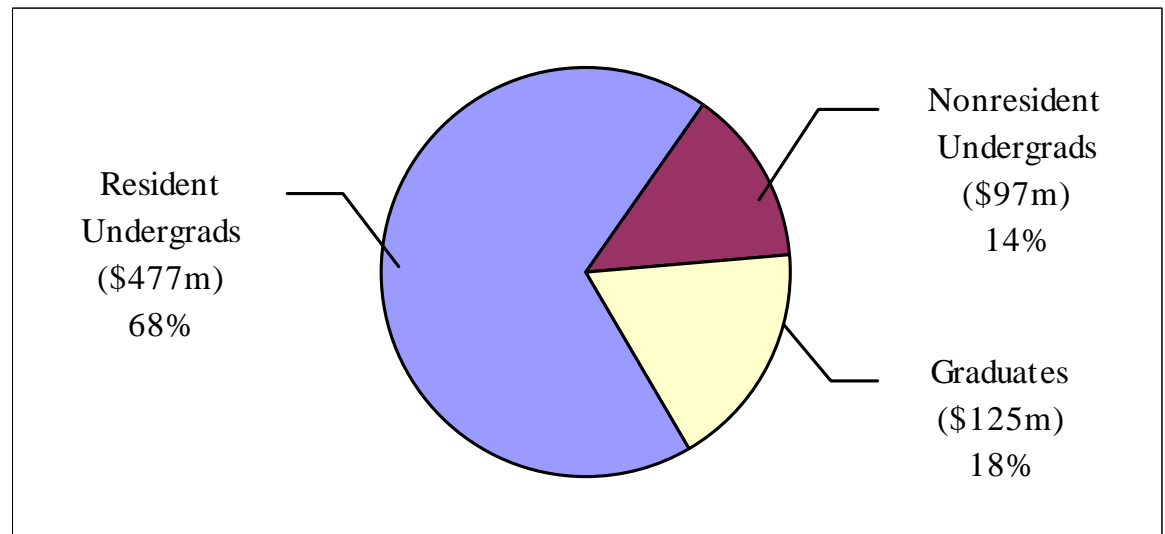
Nearly 100,000 UW System students received a total of just under \$700 million in financial aid in 2003-04.

# Financial Aid Provided to UW System Students in 2003-04

## Number of Financial Aid Recipients

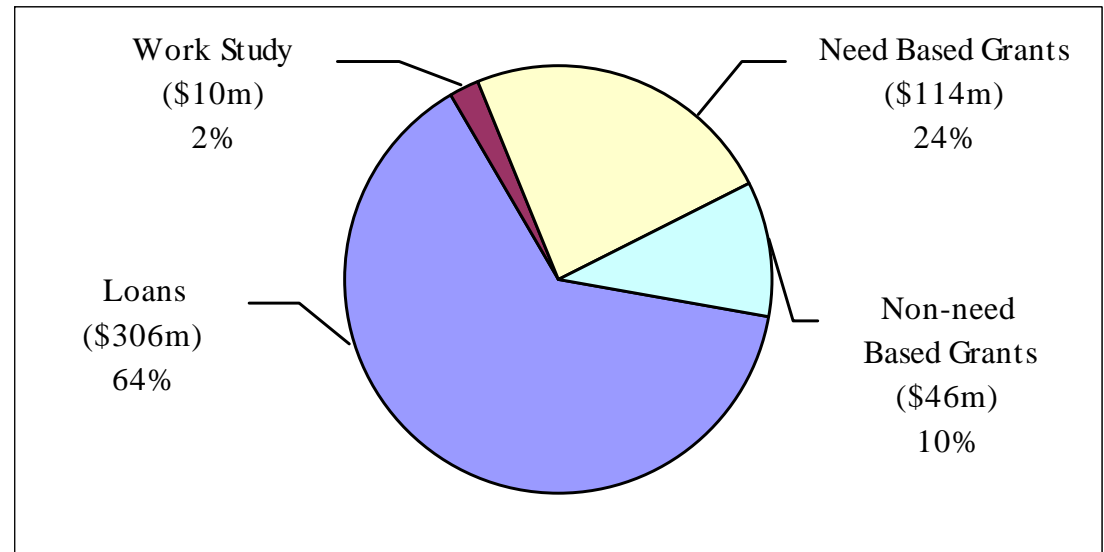


## Financial Aid Dollars Provided

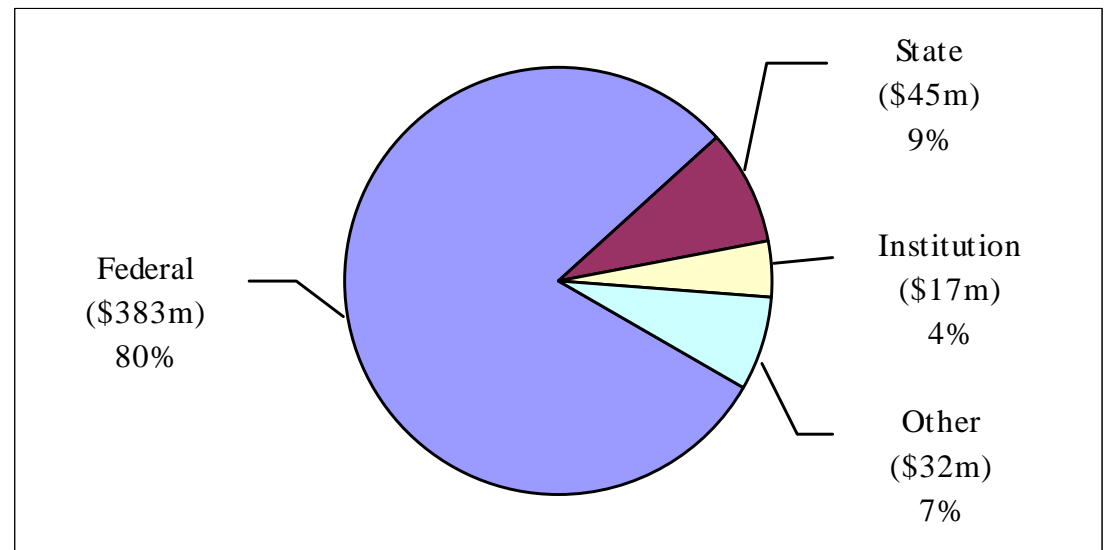


# Financial Aid Provided to UW Resident Undergrads in 2003-04

## Types of Financial Aid



## Sources of Financial Aid



## WHEG Awards to UW Resident Undergraduates

<b>Year</b>	<b>Recipients</b>	<b>Average WHEG</b>	<b>Total \$M</b>	<b>% Resident Undergrads</b>	<b>% of COA</b>
91-92	20,475	\$632	\$12.9	18%	9%
93-94	21,997	\$600	\$13.2	20%	8%
95-96	20,519	\$643	\$13.2	19%	8%
97-98	18,979	\$843	\$16.0	18%	10%
99-00	16,808	\$1,021	\$17.2	15%	11%
01-02	19,155	\$1,018	\$19.5	17%	10%
02-03	20,464	\$1,084	\$22.2	18%	10%
03-04	22,808	\$1,244	\$28.4	19%	11%

## UW-WHEG Formula

**(Equity level - EFC) \* Rationing factor = award**

- Equity level: resident undergraduate tuition from previous year
- Expected Family Contribution (EFC): calculated from the Federal needs analysis
- Rationing factor: multiplier that is set with goal of providing the largest awards to the neediest students while staying within the appropriation level for the program

## WHEG Awards: 2003-04

EFC	Recipients		Avg. Award	Avg. Gross Family Income
\$0	7,492	33%	\$1,677	\$12,490
\$1-\$999	5,613	25%	\$1,479	\$22,523
\$1000-\$1999	4,488	20%	\$1,010	\$31,373
\$2000-\$2999	3,929	17%	\$641	\$37,619
\$3000-\$3999	1,286	5%	\$326	\$41,996
<b>Overall</b>	22,808	100%	\$1,244	\$24,667

Quintile	Recipients		Avg. Award	Avg. EFC
Lowest	13,138	58%	\$1,459	\$479
Second	7,113	31%	\$1,031	\$1,538
Third	2,344	10%	\$732	\$2,206
Fourth	213	1%	\$557	\$2,571
Highest	0	0%	\$0	n/a
<b>Overall</b>	22,808	100%	\$1,244	\$1,006

# UW-WHEG Award Projected Increases

04-05 Award	05-06 Awards	\$ Increase from 04-05	05-06 Award Adjusted EFC*	\$ Increase from 04-05
\$1,958	\$2,627	\$669	\$2,627	\$669
\$1,500	\$2,094	\$594	\$1,694	\$194
\$1,000	\$1,513	\$513	\$1,113	\$113
\$500	\$932	\$432	\$532	\$32

\*Federal GAO estimates an average \$800 increase in EFC due to changes in Federal Needs Analysis

# Timeline

