



**Board of Regents of the University of Wisconsin System
Office of the Secretary**

1860 Van Hise Hall
1220 Linden Drive
Madison, Wisconsin 53706
(608)262-2324

DATE: February 29, 2012

TO: Each Regent

FROM: Jane S. Radue *JSR*

PUBLIC MEETING NOTICE

Meetings of the UW System Board of Regents
to be held at Van Hise Hall, 1220 Linden Drive, Madison, Wisconsin 53706
on March 8, 2012

8:30 a.m. Capital Planning and Budget Committee – Room 1920

9:00 a.m. All Regents – Room 1820

1. Calling of the roll
2. Approval of the minutes of the December 2011 and February 2012 Board of Regents meetings
3. *Presentation and Discussion:* Establishing New University Personnel Systems, as Required by 2011 Wisconsin Act 32
4. Update on Legislative Task Force on UW Restructuring and Operational Flexibilities
5. Report of the President of the Board
 - a. Update on recommendations of the Ad Hoc Committee on Board Roles and Responsibilities and Ad Hoc Work Group on UW System Structure and Governance
 - b. Proposal for new Board of Regents award
[Resolution II.5.b.]
6. Report of the President of the System
 - a. Posters in the Rotunda
 - b. Update on Recent Events

11:30 a.m. Box Lunch

12:00 p.m. All Regents – Room 1820

7. Resolutions of Appreciation
 - a. Recognition of Regent Emeritus Stan Davis's service on the Board
 - b. Recognition of Regent Emerita Betty Womack's service on the Board
8. *Presentation and Discussion:* Financial Aid and its Relationship to Tuition and Net Price
9. Preview of 2013-15 Biennial Budget Process
10. Vote on actions taken by the Capital Planning and Budget Committee
11. Communications, petitions, and memorials
12. Move into closed session to consider a UW-Oshkosh honorary degree nomination, as permitted by s. 19.85(1)(f), *Wis. Stats.*; to consider personal histories related to nominations for Regent awards and select award recipients, as permitted by s. 19.85(1)(f), *Wis. Stats.*, and to confer with legal counsel regarding pending or potential litigation, as permitted by s. 19.85(1)(g), *Wis. Stats.*

The closed session may be moved up for consideration during any recess in the regular meeting agenda. The regular meeting will reconvene in open session following completion of the closed session.

Persons with disabilities requesting an accommodation to attend are asked to contact Jane Radue in advance of the meeting at (608)262-2324. Information about agenda items can be found the week of the meeting at <http://www.uwsa.edu/bor/meetings.htm>. The meeting will be webcast at <http://www.uwex.edu/ics/stream/regents/meetings/> on Thursday, March 8, 2012, from 9:00 a.m. until approximately 3:00 p.m.

UNIVERSITY OF WISCONSIN SYSTEM
ESTABLISHING NEW UNIVERSITY PERSONNEL SYSTEMS

INTRODUCTION

At their March meetings, the UW Board of Regents and the Special Task Force on UW Restructuring and Operational Flexibilities are addressing the issue of UW System personnel systems and compensation, among other issues. This paper brings together the work of various UW System staff and work teams in order to:

1. Update the Board of Regents on fulfilling the requirement of the 2011-13 biennial budget (Act 32 of 2011) that authorized and directed the UW to develop personnel systems separate and distinct from the personnel system of other state agencies.
2. Provide the Special Task Force on UW Restructuring and Operational Flexibilities background on two of the six legislatively mandated topics that they are required to address:
 - a. How UW staff would transition from the state personnel system to new personnel systems.
 - b. How compensation plans for UW System employees should be determined in future biennia.

Two standalone background papers were created to help inform the Special Task Force on the two topics noted above. Those papers are included with this document as Attachments 1 and Attachment 2. Because they are stand-alone documents, they both include some information found in this document, as well as supplemental information that may be helpful.

BACKGROUND

The 2011-13 biennial budget (2011 Wisconsin Act 32) created Wis. Stat. § 36.115 (see Attachment 1), authorizing and directing the development of personnel systems separate and distinct from the personnel system under Chapter 230 of the Wisconsin Statutes for all University of Wisconsin-Madison employees and separately a personnel system for the balance of all University of Wisconsin System employees. Ultimately, both personnel systems require Joint Committee on Employment Relations (JCOER) approval before being implemented. The statute directs that the new personnel systems be implemented on July 1, 2013.

There are approximately 28,100 unclassified employees across the University of Wisconsin System (approximately 13,000 academic staff, 1,300 limited appointees, 7,000 graduate assistants, and 6,800 faculty). The Board of Regents has authority and administrative responsibility for the unclassified personnel system under Chapter 36 of the Wisconsin Statutes. There are approximately 12,300 classified employees across the University of Wisconsin System. The Office of State Employment Relations (OSER) has authority and administrative responsibility for the classified personnel system under Chapter 230. Act 32 gives authority and administrative responsibility for the new university personnel systems to the UW-Madison

Chancellor for all University of Wisconsin-Madison employees and separately to the Board of Regents for all employees for the balance of the University of Wisconsin System.

Act 32 also provides specific direction in Wis. Stat. § 36.115(6) on the protections and rights of classified employees with permanent status on June 30, 2013 and those who have not yet achieved permanent status as of June 30, 2013. Included in these protections specifically are those relating to demotion, suspension, discharge, layoff, or reduction in base pay as well as reinstatement privileges to the state classified personnel system. As for unclassified staff, Act 32 did not make any changes to the protections available through Chapter 36 and the resulting administrative code.

It is prudent that these two personnel systems be developed in a collaborative manner. The personnel systems for UW-Madison and for the balance of the UW System need to be developed such that they can be served by the extant enterprise resource planning computer support system, are compatible one with the other, and provide the protections and privileges to current employees as of June 30, 2013, as directed by Wis. Stat. § 36.115.

Although the statute requires that JCOER approve the personnel systems before they may be implemented, it does not state exactly what it is that JCOER needs to review and approve. It would not be efficient for JCOER members to review details such as each individual employee's job description and rate of pay. Instead, it would be more administratively feasible for the UW System and UW-Madison to present to JCOER for approval:

- The overall framework of employee roles and appointment types,
- Competitive compensation and benefits structure and philosophy, and
- Civil service protections and employee rights.

Regent policy will be developed to address the implementation of each of these areas in preparation for and in anticipation of JCOER approval so that we will be prepared for the July 1, 2013 implementation.

Act 32 of 2011 also created a Special Task Force on UW Restructuring and Operational Flexibilities. Two topics of the six under consideration by this Legislative task force relate to UW System personnel systems and will be taken up at their March 7, 2012 meeting. Attachments 1 and 2 and this Executive Summary have been provided to the Legislative task force. The attachments provide background, issues, and questions on these two topics: "How System employees and those System employees assigned to the University of Wisconsin-Madison would transition from the state personnel system to the new personnel systems." and "How compensation plans for System employees should be determined in future biennia." This Executive Summary provides recommended answers and solutions to the questions raised by these two topics for consideration by the Board of Regents and Legislative Special Task Force.

SCOPE

A framework for the new personnel systems will emerge as existing policies and procedures are reviewed and sorted into two categories. Policies that have worked well will remain unchanged. Policies that have not worked well will be changed or discarded. Moreover,

newly developed policies that have been identified as desirable improvements or changes will be incorporated into the new personnel systems. The result will be personnel systems that meet the diverse and unique needs of UW System universities, colleges, and extension.

The new personnel systems will simplify titling structures, protect existing employee rights, establish a compensation structure(s) that will best allow each institution in the UW System to recruit and retain the most diverse, the best, and most qualified employees, and result in the employees of UW System identifying themselves first and foremost as UW employees and valued members of one of the UW System universities, colleges, or extension. To accomplish this, a framework for the new personnel systems is needed that is based on organizational principles that are simple, consistent, and coherent.

ORGANIZING PRINCIPLES

A personnel system can be defined as the activities and methods that enable the attraction, development, and retention of talent focused on the mission of the University. Included in the system are human resource strategies and planning for staffing, compensation, training, performance management, diversity, and legal compliance.

In considering the development of new personnel systems for the UW System and the policies and procedures needed to implement the new systems, simplicity, consistency, and coherence will be used as organizing principles.

Simplicity – Simplicity promotes efficient and effective policies and procedures

Consistency – Consistency provides for fairness of policies and procedures.

Coherence – Coherence governs over simplicity and consistency so that one does not overtake the other in the development of new personnel systems. With coherence different aspects of the new systems will work together toward fulfilling the purposes of a personnel system as defined above.

The framework of the new personnel systems will address policies and procedures in the hiring processes, titling structures, salary structures, fringe benefits structures, performance management practices, employment relations practices, staff development opportunities, recruitment processes, and retention strategies. Within and across each of these areas, due consideration will be given to simplicity, consistency, and coherence. The coherence of the personnel system is paramount. We will not, for example, sacrifice the integrity of diversity goals for the sake of the simplification of the hiring process.

FRAMEWORK

The overall framework will provide for a definition of employee roles and employment types, competitive compensation and benefits structure and philosophy, and civil service protections and employee rights. The following outlines the existing framework rules and policies and comments on how future rules and policies will be established/changed, if at all. This will be presented using our current terminology of unclassified and classified staff.

I. Definitions

Unclassified Staff

Unclassified staff include faculty, academic staff, limited appointees, student assistants and employees-in-training. Each of these is discussed separately.

Faculty

Current Rules and Policies

Chapter 36 of the Wisconsin Statutes provides the definition of faculty and outlines the faculty responsibilities in a shared governance environment including responsibility for faculty personnel matters. Faculty is defined as those staff holding the rank of professor, associate professor, assistant professor or instructor. Chapters UWS 3 through 8 of Wisconsin Administrative Code provide the framework upon which faculty personnel rules are developed, including faculty appointments, procedures for dismissal for cause, layoff and termination for reasons of fiscal emergency, complaints and grievances; dismissal of faculty in special cases, and code of ethics. Faculty personnel rules and procedures developed pursuant to chs. UWS 3 through 8 by the faculty of each institution and approved by the Chancellor are forwarded to the Board of Regents for its approval. Once approved, these policies and procedures shall be in force and effect as rules of the Board.

Future Rules and Policies

The existing faculty policies and procedures need not change as part of the development of the new university personnel systems, unless such need for change is identified by stakeholders and established working groups and brought forward through the faculty shared governance process.

Academic Staff

Current Rules and Policies

Chapter 36 of the Wisconsin Statutes provides the definition of academic staff and outlines the academic staff responsibilities in a shared governance environment including responsibility for academic staff personnel matters. Academic staff is defined as professional and administrative personnel, other than faculty and classified staff, with duties and types of appointments that are primarily associated with higher education institutions or their administration. Wis. Stat. § 36.15(2) authorizes the Board of Regents to make academic staff appointments subject to certain oversight by OSER as detailed in s. 36.09(1)(i). Chapter UWS Chapters 8 through 13 of the Wisconsin Administrative Code provides the framework upon which academic staff personnel rules are developed including academic staff appointments, procedures for dismissal for cause, layoff for reasons of budget or program, fiscal emergency, and complaints and grievances. Academic staff personnel rules and procedures developed by the academic staff of each institution pursuant to chs. UWS 8 through 13 are in full force and effect when approved by the Chancellor and forwarded to the Board.

Future Rules and Policies

The existing academic staff policies and procedures will remain the same unless such need for change is identified by stakeholders and established working groups and brought forward through the academic staff governance process. It is important to note that Act 32 repealed s. 36.09(1)(i), effective July 1, 2013. The repeal of s. 36.09(1)(i) will give the Board the authority to make academic staff appointments as provided in s. 36.15(2) without OSER oversight.

Limited Appointees

Current Rules and Policies

Chapter 36 of the Wisconsin Statutes and Chapter UWS 15 of the Wisconsin Administrative Code define limited appointments as those appointments that serve at the pleasure of the appointing authority. The statutes and code require specific positions be designated as limited appointees (e.g., President, Chancellor, etc.) and also give the Board, the President, and the Chancellor the authority to designate other positions as limited. Termination of a limited appointment is not a dismissal and is not otherwise appealable. Chapter UWS 8, Unclassified Staff Code of Ethics applies to limited appointees.

Future Rules and Policies

The rules for limited appointees will remain the same unless some need for change is identified.

Student Assistants and Employees-in-Training

Current Rules and Policies

Chapter 36 of the Wisconsin Statutes and Chapter UWS 16 of the Wisconsin Administrative Code states that the Board of Regents may authorize appointments of student assistants and employees-in-training such as residents, interns, post-doctoral fellows or trainees or associates. Appointments made pursuant to this section shall not be subject to the provisions of ss. 36.13 and 36.15, Stats., and chs. UWS 1 to 15.

Policies and procedures for such appointments shall be determined as appropriate by the president or the chancellor of each institution after consultation with appropriate faculty and with appropriate student assistants and employees-in-training. Teaching and project assistants at UW-Madison and UW-Milwaukee have been represented by unions in the past, although they currently have not certified a bargaining representative.

Future Rules and Policies

The policies and procedures for student assistants and employees-in-training at each UW institution need not change as part of the development of the new university personnel systems, unless such need for change is identified by stakeholders and established working groups. Each institution would determine the appropriate process for reviewing and initiating any such changes.

Classified Staff

Current Rules and Policies

Classified staff now consist of employees subject to and exempt from the Fair Labor Standards Act (FLSA). The compensation plan approved by JCOER, effective January 1, 2012, encompasses the terms of employment for all classified staff. Both FLSA exempt and non-exempt classified employees are covered by the civil service provisions contained in Chapter 230 and applicable chapters of the Wisconsin Administrative Code. OSER is charged with administering all aspects of the classified service. OSER delegates some decision making to UW System and other agencies, but OSER retains final authority.

Future Rules and Policies

On July 1, 2013, Chapter 230 civil service provisions will no longer apply to any UW System employees; therefore, much of the work in developing a new personnel system will involve developing policies and procedures applicable to the employees currently categorized as classified staff. Going from the current state to the future state for these employees will require an exhaustive review of existing policies and procedures. This review will require an examination of the provisions contained in Chapter 230, of the regulations that interpret those provisions, and of the terms contained in the compensation plan that applies to all classified employees. Many aspects of the current state personnel system will likely remain; however, the following are some areas that need to be addressed for possible change as we consider the unique needs of higher education and our UW System institutions:

- Transfer, specifically how and if an employee may be able to transfer across and between the UW System, UW-Madison and other State agencies.
- Flexibility in compensation, including recognition of work experience outside of state or university service in establishing compensation and benefits for new hires.
- Code of Ethics (Act 32 directed that one code of ethics be established that covers all university employees.)

Before changes are made in the above or other yet-to-be identified areas, classified staff advisory committees at each UW System institution will be consulted. In addition, opportunities for comment will be sought from all university staff.

II. Competitive Compensation and Benefits

Pay Plan and Base Adjustments - Unclassified Staff

Current Pay Plan and Base Adjustments

The Board of Regents' unclassified pay plan requests must be submitted to OSER and then approved by JCOER. (§ 230.12(3)(e)). Per s. 36.09(1)(j) *Wis. Stats.*, the use of base funds for salary adjustments outside of the approved pay plan is allowed for four specific reasons to: (1) correct salary inequities, (2) fund job reclassifications, (3) fund promotions, and/or (4)

recognize competitive factors. Exceptional performance is not an approved reason to use base funds to adjust salaries.

The Section 9152 of the 2011-13 biennial budget authorized the Board of Regents and UW-Madison chancellor to provide supplemental pay plans for all its employees. These supplemental pay plans are in addition to any approved pay plan under § 230.12(3)(e).

The Board of Regents has established guidelines for the distribution of pay plan funding. The Board of Regents has directed each Chancellor to use a suitable evaluation system to assess performance and to distribute pay plan increases on a merit basis. Chancellors also have the option to distribute 10% of the pay plan to address compression or other retention issues. The UW System is already prioritizing and determining, by institution, how to distribute funds to deal with meritorious performance, equity, market, compression, and retention. This process works well but has been constrained by limited or no pay plan funding.

Pay Plan and Base Adjustments - Classified Staff

Current Pay Plan and Base Adjustments:

OSER seeks input from the UW System on the needs it would like addressed in the nonrepresented classified staff pay plan then develops and submits to JCOER a compensation plan request for both represented and nonrepresented classified employees. The compensation plan also includes the authority to provide compensation adjustments for merit, pay equity, and retention. OSER must approve any such requests for compensation adjustments.

Pay Plan and Base Adjustments - All University Employees

Future Pay Plan and Base Adjustments

With additional flexibilities and provided resources are available, the Board of Regents will be able to establish a competitive compensation structure that will allow UW institutions to attract and retain quality staff, that will provide the flexibility needed to reward meritorious performance, and that will achieve equitable salary relationships. It is not now known whether unions will recertify and seek to bargain over pay. If any unions are recertified, negotiations will be restricted to bargaining over total base wages. (See § 111.91(3)(a)).

The 2011-13 biennial budget did not change the role of OSER and JCOER in pay plan approvals. Pay plan requests from the Board of Regents and the UW-Madison chancellor must be submitted to OSER and then approved by JCOER. (§ 230.12(3)(e)). Section 230.12(3)(e) still provides:

The proposal [for adjusting compensation] shall be based upon the competitive ability of the board of regents to recruit and retain qualified faculty and academic staff, data collected as to rates of pay for comparable work in other public services, universities and commercial and industrial establishments, recommendations of the board of regents and any special studies carried on as to the need for any changes in compensation and employee benefits to cover each year of the biennium. The proposal shall also take proper account of prevailing pay rates, costs and standards of living and the state's employment policies. The proposal for such pay adjustments may contain

recommendations for across-the-board pay adjustments, merit or other adjustments and employee benefit improvements.

Changes are needed to provide for a one-step budget and pay plan funding approval process by the legislature. Statutory change including funding for pay plan salary increases and flexibility to use base funds to recognize meritorious performance is needed to accomplish the changes needed to maintain a high quality diverse workforce.

Need for Competitive Compensation

- 1) Recruitment challenges with faculty and staff because of lack of competitive salaries.
- 2) Retention challenges with faculty and staff because of stagnant salaries.
- 3) Regional, national, and international market competition for faculty, staff, and academic and administrative leaders.

UW System's need for institution-specific competitive compensation was most recently highlighted through the work of the 2010 Competitive University Workforce Commission (CUWC). President Reilly established and charged the CUWC to measure current compensation levels for the purpose of identifying where the UW is not competitive with peer institutions. The findings of the CUWC revealed significant and varied gaps in compensation with existing peer institutions and the need to look further to use more institution specific peer comparisons to better understand the full nature of the competitive challenges. The recommended changes of including pay plan funding in the budget request and the authority to use base funding for recognition of meritorious performance will provide the UW System with the additional tools needed to address the findings of the CUWC. The CUWC report is available at the following URL: http://www.wisconsin.edu/assets/sites/growth_agenda/docs/2011-13/CUWC-final-report.pdf.

Proposed Solutions

- 1.) Annual pay plan adjustments:
 - a) Cost of living increases for solid performance should be across the board increases.
 - b) Increases that exceed the cost of living should be strictly merit based.
 - c) Funding for adjusting compensation should be included in biennial budget.
 - d) Pay plan will be approved by the Board of Regents without going to OSER and JCOER.
- 2.) Salary Adjustments beyond the annual pay plan will be of two types and will be paid for using institutional resources:
 - a) Base salary adjustments based on competitive factors, equity, promotions, change in duties, and to recognize meritorious performance.
 - b) Lump sum payments (non-base building) may be made for signing/recruitment bonuses, meritorious performance, competitive factors, equity, and temporary change in duties.
- 3.) Supplemental pay plans would not be needed with the changes noted in #1 and #2 above.

Funding to support adjustments to base pay and one-time payments should be included as part of the biennial budget. The amount requested from the state compensation reserve to

support salary adjustments for all employees should be at a level to cover, on average, the projected cost of living increases over the biennium. Chancellors would be delegated the authority to determine salary adjustments for all employees. Such adjustments would include annual base adjustments to recognize solid performance and meritorious performance. In addition, Chancellors would have the authority to use base funds, tuition, program revenue, and extramural support as appropriate to provide additional salary adjustments or lump sum payments to respond to market needs, salary inequities, promotions/change in duties, extraordinary work load, and performance that could not be fully recognized with pay plan funding.

Represented employees, who may be provided with cost of living wage adjustments as a result of collective bargaining, may also be eligible for competitive factor adjustments to address market considerations at individual UW institutions.

Benefits for all University Employees

Current Benefits

UW employees receive benefits pursuant to statutory provisions, administrative rules, Board of Regents policies, and UW System policies. Summaries of benefits for classified and unclassified employees may be found on the UW System website (www.wisconsin.edu/hr/benefits/).

Some of the benefits received by classified and unclassified employees differ. Pursuant to s. 230.35(2) and s. ER 18.03(2), classified employees earn .0625 hours of sick leave credits for each hour in pay status up to 5 hours biweekly. Unclassified employees receive sick leave benefits pursuant to rules promulgated by the Board of Regents. Under Chapter UWS 19, they receive an initial 22 day allocation of sick days, and after 18 months of service receive one day per month or six days per semester (pro-rated for part-time employment). Vacation benefits also differ. Classified employees' vacation hours increase with increased years of service. (s. 230.35(1)). Unclassified employees on 12-month contracts receive 22 vacation days per year (pro-rated for part-time employment) regardless of their years of service (unclassified employees on 9-month contracts are not eligible for vacation).

Future Benefits

Benefits will continue to be received pursuant to the existing statutory provisions, administrative rules, and UW System policies. The establishment of new personnel systems provides an opportunity for discussion of benefits that currently are or will be under the authority of the Board of Regents to consider if changes are needed and or are desirable. Such considerations need not be completed before the new personnel systems are implemented.

Biennial state budgets will continue to have an impact on some employee benefit levels. One effect of 2011 Wisconsin Act 10 (the 2009-11 Budget Repair Bill) is that employee benefits are prohibited subjects of bargaining for most state employees; therefore, there will be no bargaining related to the benefits of classified UW employees, and employee benefits will no longer be included in collective bargaining agreements.

Wisconsin Retirement System and associated benefits will remain in place for eligible employees. Following is a partial list of these benefits:

- Wisconsin Retirement System pension plan
- State Group Health Insurance Program
- State Group Life Insurance Program
- Employee Reimbursement Account Program
- Income Continuation Insurance Program
- Deferred Compensation Plans
- Accumulated Sick Leave Conversion and Supplemental Health Insurance Conversion Credit Programs

Just as there will be a thorough review of the Chapter 230 civil service provisions that affect classified employees, there will be an examination of the benefit provisions contained in collective bargaining agreements. Some of these provisions may be retained in the new policies and procedures.

III. Civil Service Protections and Employee Rights

Wis. Stat. § 36.115 (See Attachment 1) brings the most changes for those university employees currently categorized as classified. Under existing law, civil service protections for classified employees are contained in Chapter 230, and these protections are administered by OSER. But effective July 1, 2013, civil service protections will be included in the new university personnel systems, and they will no longer be administered by OSER.

All UW System employees have long been hired and employed under a civil service system. A civil service system generally means employment in government with such positions filled on merit as a result of competitive examinations or screening. Employment in civil service brings with it certain rights regarding job security; namely, that in most civil service appointments discipline or termination can only occur when there is just cause and after due process has been provided.

Under Wis. Stat. § 36.115 the new personnel systems must include the following components for all employees:

- A civil service system
- A grievance procedure that addresses employee terminations and that provides that the grievant has the right to a hearing before an impartial hearing officer
- Provisions that address employee discipline and workplace safety

Unclassified Staff

Current Protections and Rights

The civil service rights of unclassified employees are set forth in Chapters UWS 2 through 8 of the Wisconsin Administrative Code which provide a framework for the establishment of institutional personnel policies and procedures including recruiting procedures

and grievance procedures that allow employees to contest actions which affect their job security or conditions of employment.

Future Protections and Rights

Existing rules, policies, and procedures for faculty and academic staff will not change as a result of the development of new personnel systems unless a need for change is identified by stakeholders and established working groups. If a need for change is identified, there will be ample opportunity for shared governance organizations to participate in the discussions relating to any proposed changes.

Classified Staff

Current Protections and Rights

The civil service protections and rights of classified employees are now set forth in Chapter 230 of the Wisconsin Statutes. UW System and UW-Madison have delegated authority for some aspects of the classified personnel system, but OSER maintains the authority to administer the system. If classified employees are represented by a union, those employees are now in a statewide bargaining unit, and OSER bargains with the unions.

Future Protections and Rights

Wis. Stat § 36.115(6) contains a grandfather clause providing current employees (i.e. “employees holding positions in the classified or unclassified service of the civil service system under ch. 230 on June 30, 2013”) with rights that subsequent employees will not necessarily have. Under section 36.115(6) UW System employees who have rights under Chapter 230 on June 30, 2013, will retain the rights set forth in sections 230.34 (1) (a) and 230.44 (1) (c). Under Wis. Stat. § 230.34(1)(a) a classified staff employee with permanent status in class “may be removed, suspended without pay, discharged, reduced in base pay or demoted only for just cause.” Under Wis. Stat. § 230.44(1)(c) these employees “may appeal a demotion, suspension, discharge, layoff, or reduction in base pay to the commission [i.e. to the Wisconsin Employment Relations Commission], if the appeal alleges that the decision was not based on just cause.” The new personnel systems will protect these and other rights originating from Chapter 230 in methods and structures discussed and recommended by stakeholders and established working groups.

STATUTORY CHANGES

Certain statutory provisions may interfere with the legislature’s intent for the new personnel systems to be independently administered by UW System and UW-Madison. The following inconsistencies have been identified thus far:

- **DISCRETIONARY MERIT PAY:** Existing authority for providing discretionary merit pay for employees will no longer be available to any University employees once separate and distinct personnel systems are in place under Wis. Stat. § 36.115. Such authority will need to be added to existing Board of Regents authority under Wis. Stat. § 36.09(1)(j)

which currently states as follows:... “The board may not increase the salaries of employees under this paragraph unless the salary increase conforms to the proposal as approved under [s. 230.12 \(3\) \(e\)](#) or the board authorizes the salary increase to correct salary inequities under [par. \(h\)](#), to fund job reclassifications or promotions, or to recognize competitive factors.”

- **EMPLOYEE RIGHTS:** Wis. Stat. § 36.115 brings changes for those university employees currently categorized as classified. Certain civil service protections for classified employees are provided in Chapter 230, Wis. Stat. and are administered by OSER. In order for the same civil service protections to apply to university employees in the new university personnel systems, the protections will need to be moved from Chapter 230 to Chapter 36, Wis. Stats.
- **LABOR RELATIONS:** As Chapter 111 is currently written, the Office of State Employment Relations (OSER) and the Wisconsin Employment Relations Commission (WERC) would retain jurisdiction and responsibility over UW-Madison’s and UW System’s labor relations policies, practices, and regulations. Labor relations laws that cover UW System and UW Madison employees should be moved to Chapter 36.
- **RETIREMENT SYSTEM:** Employees in each new university personnel system will remain a part of the Wisconsin Retirement System (WRS). However, it may be that laws which govern the WRS have not yet been amended as necessary to authorize the Department of Employee Trust Funds (ETF) to continue to administer benefit programs on behalf of UW System employees.

CONCLUSION

UW Staff and work teams are making significant progress in creating new personnel systems, separate from the state personnel system, for all UW employees. These systems are being designed to be simple, consistent, and coherent at their core, and to better reflect the unique personnel needs of the UW System. Limited “Clean-up” statutory language is needed to fix drafting oversights that occurred as part of the massive budgetary bill drafting process in order for these systems to operate efficiently and as legislatively intended.

While these new personnel systems will help the UW System operate more efficiently, the Competitive University Workforce Commission noted that they will do little to help the UW address the national and international competition that it faces for faculty and staff unless the Board of Regents has authority to set compensation levels for UW employees. New legislation would also be required in order to achieve this important need.

**Special Legislative Task Force on UW Restructuring and Operational Flexibilities
Background and Issues Paper for Topic #2
Prepared by UW System Administration**

“How system employees and those system employees assigned to the University of Wisconsin-Madison would transition from the state personnel system to the new personnel systems.”

Background

The 2011-13 biennial budget (Act 32 of 2011) created s. 36.115 (see below), authorizing and directing the development of personnel systems separate and distinct from the personnel system under ch. 230 for all University of Wisconsin-Madison employees and separately a personnel system for the balance of all University of Wisconsin System employees. Ultimately both personnel systems require Joint Committee on Employment Relations (JCOER) approval before being implemented. The statute directs that the new personnel systems be implemented on July 1, 2013.

There are approximately 28,100 unclassified employees across the University of Wisconsin System (approximately 13,000 academic staff, 1,300 limited appointees, 7,000 graduate assistants, and 6,800 faculty). The Board of Regents has authority and administrative responsibility for the unclassified personnel system under Chapter 36. There are approximately 12,300 classified employees across the University of Wisconsin System. The Office of State Employment Relations has authority and administrative responsibility for the classified personnel system under Chapter 230. Act 32 gives authority and administrative responsibility for the new university personnel systems to the UW-Madison Chancellor for all University of Wisconsin-Madison employees and separately to the Board of Regents for all employees for the balance of the University of Wisconsin System.

Act 32 also provides specific direction in s. 36.115(6) on the protections and rights of classified employees with permanent status on June 30, 2013 and those who have not yet achieved permanent status as of June 30, 2013. Included in these protections specifically are those relating to demotion, suspension, discharge, layoff, or reduction in base pay as well as reinstatement privileges to the state classified personnel system. As for unclassified staff, Act 32 did not make any changes to the protections available through ch. 36 and the resulting administrative code.

It is prudent that these two personnel systems (structures) be developed in a collaborative manner. The personnel systems for UW-Madison and for the balance of the UW System need to be developed such that they can be served by the extant enterprise resource planning computer support system, are compatible one with the other, and provide the protections and privileges to current employees as of June 30, 2013, as directed by statute.

Issues/Questions

It may be premature to address the question posed in the statute in that the transition to the new personnel systems will be defined as the new personnel systems are developed. The

University Personnel System Task Force established by President Reilly and co-chaired by Chancellor Shields and Vice Chancellor Bazzell will discover issues and answer questions regarding the structure of the new personnel systems and transition into them within the context of the direction provide in s. 36.115. In addition, while not specifically stated in Act 32, the working assumption is that UW System employees will continue to be covered by the state retirement and health care benefits programs.

Another area that might have been anticipated for Legislative Task Force consideration is other benefits, such as sick leave, vacation, and personal holidays which are paid for by the employer, and optional benefits such as life insurance, optional defined contribution retirement plan, and supplemental retirement programs which are paid for by the employee.

Wis. Stat. § 36.115 Personnel Systems

- (1) In this section, "chancellor" means the chancellor of the University of Wisconsin-Madison.
- (2) The board shall develop a personnel system that is separate and distinct from the personnel system under ch. 230 for all system employees except system employees assigned to the University of Wisconsin-Madison.
- (3) The chancellor shall develop a personnel system that is separate and distinct from the personnel system under ch. 230 for all system employees assigned to the University of Wisconsin-Madison.
- (3m) The board shall set the salary ranges for all of the following positions:
 - (ae) Each of the vice chancellors who is serving as deputy at the University of Wisconsin System campuses at Eau Claire, Green Bay, La Crosse, Oshkosh, Parkside, Platteville, River Falls, Stevens Point, Stout, Superior, and Whitewater and each of the vice chancellors who is serving as deputy at the University of Wisconsin Colleges and the University of Wisconsin-Extension.
 - (am) The vice presidents of the University of Wisconsin System.
 - (ar) The chancellors at the University of Wisconsin System campuses at Eau Claire, Green Bay, La Crosse, Oshkosh, Parkside, Platteville, River Falls, Stevens Point, Stout, Superior, and Whitewater and the chancellors of the University of Wisconsin Colleges and the University of Wisconsin-Extension.
 - (b) The vice chancellor who is serving as deputy at the University of Wisconsin-Milwaukee.
 - (bm) The senior vice presidents of the University of Wisconsin System.
 - (c) The vice chancellor who is serving as deputy at the University of Wisconsin-Madison.
 - (d) The chancellor at the University of Wisconsin-Milwaukee.
 - (e) The chancellor at the University of Wisconsin-Madison.
 - (f) The president of the University of Wisconsin System.
 - (g) The associate and assistant vice presidents, vice chancellors not identified in pars. (ae), (b), or (c), assistant chancellors, associate and assistant vice chancellors, and administrative directors and associate directors of physical plant, general operations and services, and auxiliary enterprises activities or their equivalent, of each University of Wisconsin institution, the University of Wisconsin-Extension, and the University of Wisconsin System administration.
- (4) The personnel systems developed under subs. (2) and (3) shall include a civil service system, a grievance procedure that addresses employee terminations, and provisions that address employee discipline and workplace safety. The grievance procedure shall include all of the following elements:
 - (a) A written document specifying the process that a grievant and an employer must follow.
 - (b) A hearing before an impartial hearing officer.

(c) An appeal process in which the highest level of appeal is the board.

(5) (a) The personnel systems developed under subs. (2) and (3) shall be implemented on July 1, 2013.

(b) The board may not implement the personnel system developed under sub. (2) unless it has been approved by the joint committee on employment relations.

(c) The chancellor may not implement the personnel system developed under sub. (3) unless it has been approved by the joint committee on employment relations.

(6) All system employees holding positions in the classified or unclassified service of the civil service system under ch. 230 on June 30, 2013, shall be included in the personnel systems developed under subs. (2) and (3). System employees holding positions in the classified service on June 30, 2013, who have achieved permanent status in class on that date, shall retain, while serving in the positions in the system, those protections afforded employees in the classified service under ss. 230.34 (1) (a) and 230.44 (1) (c) relating to demotion, suspension, discharge, layoff, or reduction in base pay. Such employees shall also have reinstatement privileges to the classified service as provided under s. 230.31 (1). System employees holding positions in the classified service on June 30, 2013, who have not achieved permanent status in class on that date are eligible to receive the protections, privileges, and rights preserved under this subsection if they successfully complete service equivalent to the probationary period required in the classified service for the positions which they hold on that date.

**Special Legislative Task Force on UW Restructuring and Operational Flexibilities
Background and Issues Paper for Topic #4
Prepared by UW System Administration**

“How compensation plans for system employees should be determined in future biennia.”

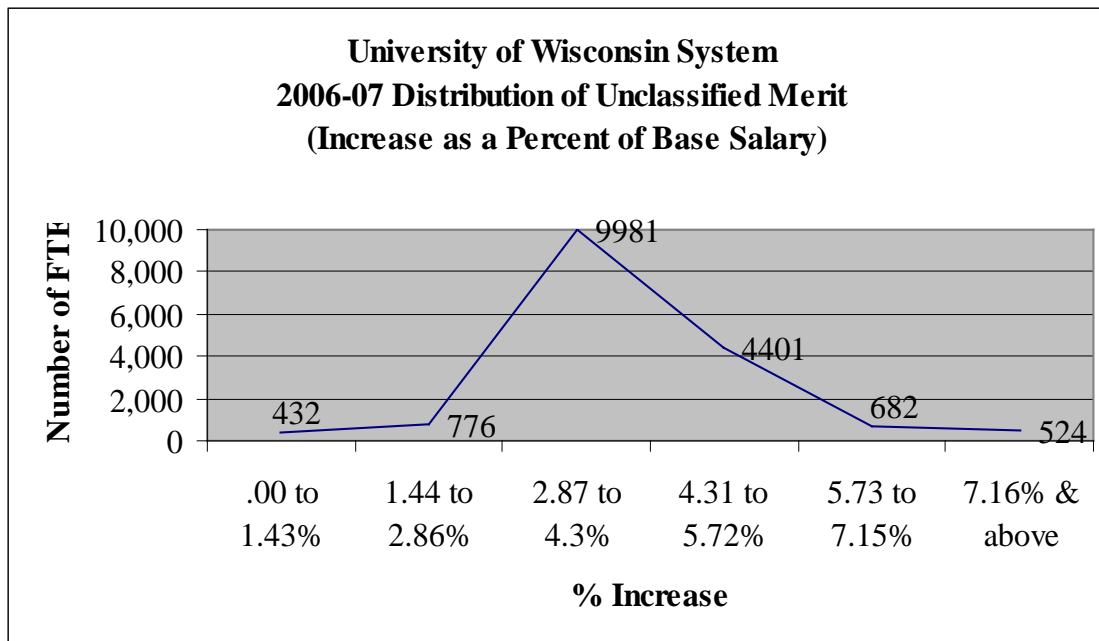
Background on General Pay plans and Base Salary Adjustments

Unclassified Staff (Faculty, Academic Staff, and Limited Appointees)

The Board of Regents has established guidelines for the distribution of pay plan funding. The Board of Regents has directed each chancellor to use a suitable evaluation system to assess performance and to distribute pay plan increases on a merit basis. For example, with a 2% increase in July and an additional 2.25% in April, as was the case in 2006-07, the institutions were to distribute at least 1/3 to employees who were deemed to have satisfactory performance, 1/3 on the basis of merit/market, and the other third could be composed of some portion of these two or other areas that the campus deems high priority. In addition, chancellors have the option to distribute 10% of the pay plan to address compression or other retention issues.

This is different from the way that the state agencies distribute pay plan. If there is a 2% increase in July with a 2.25% increase in April (as was the case in 2006-07) any non-represented employee with satisfactory performance received those increases.

The University is already prioritizing and determining, by institution, how to distribute funds to deal with meritorious performance, equity, labor market information*, compression, and retention. This process works well but has been constrained by limited or no pay plan funding. The following chart shows how the 2006-07 unclassified pay plan was distributed.



*For 2011-13, the Board of Regents approved guidelines that excluded market determinations for the distribution of pay plan funds and allowed distribution only for meritorious and solid performance.

Any Board of Regents' unclassified pay plan requests must be submitted to the Office of State Employment Relations (OSER), and then approved by JCOER (Wis. Stat. § 230.12(3)(e)). Per Wis. Stat. § 36.09(1)(j), the use of base funds for salary adjustments outside of the approved pay plan is allowed for four specific reasons to: (1) correct salary inequities, (2) fund job reclassifications, (3) fund promotions, and/or (4) recognize competitive factors. Exceptional performance is not an approved reason to use base funds to adjust salaries. Institutions have developed, through faculty and academic staff governance, policies on the distribution of reallocated base funds. Typically pay plans have been funded 65% from the State compensation reserve and 35% from tuition. However, there have been times when more was required to be funded from tuition.

Classified Staff

OSER seeks input from the UW System on the needs it would like addressed in the nonrepresented classified staff pay plan and then develops and submits to JCOER a compensation plan request for both represented and nonrepresented classified employees. The compensation plan also includes the authority to provide compensation adjustments for merit, pay equity, and retention. OSER must approve any such requests for compensation adjustments.

Modifications based on Wisconsin Act 32

Effective July 1, 2013, the Board of Regents must submit to the Office of State Employment Relations (OSER) its proposal for adjusting compensation for all employees. Currently the Board only submits recommendations for adjusting the compensation of unclassified staff to the director of OSER. This change is required by Act 32, which amended Wis. Stat. § 230.12(3)(e)1 (See Attachment A). Under the new law, the Board of Regents and the Chancellor of the University of Wisconsin-Madison submit separate recommendations. OSER then submits a proposal for adjusting compensation to JCOER for approval. Act 32 also authorizes the Board of Regents, effective July 1, 2013, to set the salary ranges for UW System Vice Presidents, non-doctoral Vice Chancellor/Provosts, and for academic staff and limited appointees. Act 32, section 9152 (Attachment B), also authorizes supplemental pay plans for the 2011-2013 biennium for the University of Wisconsin-Madison and separately for the balance of the University of Wisconsin System. The supplemental pay plans would be self-funded and require Joint Committee on Employment Relations (JCOER) approval.

Issues/Questions

The Task Force needs to address the supplemental pay plan authority which has only been granted for the 2011-13 biennium, the base pay plan authority as amended in § 230.12(3)(e)1, and a change to § 36.09(1)(j) (Attachment C).

Need for Competitive Compensation

- 1) Recruitment challenges with faculty and staff because of lack of competitive salaries.
- 2) Retention challenges with faculty and staff because of stagnant salaries.
- 3) Regional, national, and international market competition for faculty, staff, and academic and administrative leaders.

The UW System's need for institution specific competitive compensation was most recently highlighted through the work of the Competitive University Workforce Commission (CUWC). President Reilly established and charged the CUWC in early 2010 to measure current compensation levels for the purpose of identifying where the UW is not competitive with peer institutions. The Commission was also asked to make recommendations on how best to close any competitive gap in compensation it identifies. The findings of the CUWC revealed significant and varied gaps in compensation with existing peer institutions and the final report recommended the use of more institution specific peer comparisons to better understand the full nature of the competitive challenges faced collectively and as individual institutions.

Beginning July 1, 2013 the Board of Regents will be bargaining with unions representing current classified employees. Act 32 limits bargaining to wages only and places a cap on wage increases to the cost of living increase.

Compensation Philosophy Statements: University of Minnesota, University of Illinois, and University of Michigan

The following summaries of compensation philosophies at neighboring higher education institutions are provided to show the important role that equity, market, and recognition of productivity and performance of employees play in their compensation strategies. UW System institutions do not have the flexibility to use all available resources to employ similarly effective compensation strategies.

University of Minnesota

The University's compensation philosophy is reflected through the following guidelines:

- Ensure internal equity amongst University classifications
- Achieve and maintain appropriate labor market competitive salary levels
- Provide flexibility to address collegiate or unit needs while maintaining parameters established for the entire institution
- Recognize and reward

Labor market information is critical to ensure fair compensation and in order to attract and retain University employees. It also provides management at the University with meaningful information to assist in the effective allocation of resources. Department management within its budgeted fiscal resources ultimately decides upon compensation practices and philosophies.

University of Illinois at Urbana-Champaign

The University of Illinois at Urbana-Champaign is committed to providing fair and competitive compensation for its academic professional employees. The campus maintains a salary minimum for academic professional employees. Beyond this minimum, individual units (colleges, divisions, schools, and/or departments) are encouraged to establish appropriate compensation for academic professional positions. Such determinations take into account many factors to be considered with respect to compensation, including (but not limited to):

- Employment market factors
- Specialized knowledge/education/skills required for the position
- Level of experience required for the position
- Scope and complexity of responsibilities required in the position, including but not limited to supervision/management
- Location of the position, if situated somewhere other than on the Urbana campus

- Productivity of the employee
- Performance of the employee

University of Michigan

The University of Michigan provides direct compensation, benefits and career-related investments that:

- Attract, retain, reward and motivate the productivity and commitment of highly qualified, diverse faculty and staff.
- Provide flexibility appropriate to the dynamic challenges facing the University and to differences across the schools, colleges and campuses.
- Help the University compete successfully for employees with the mix of disciplines and skills vital to its missions.
- Set pay in consideration of similar educational, research, and service organizations and recruiting markets while also within the University's resources.
- Are tax-effective for employees while meeting all legal, contractual, and compliance requirements.
- Are fiscally responsible.

Attachment A

SECTION 2764G. 230.12 (3) (e) 1. of the statutes is amended to read:

230.12 (3) (e) 1. The director, after receiving recommendations from the board of regents and the chancellor of the University of Wisconsin-Madison, shall submit to the joint committee on employment relations a proposal for adjusting compensation and employee benefits for University of Wisconsin System employees ~~under ss. 20.923 (4g), (5) and (6) (m) and 230.08 (2) (d) who are not included in a collective bargaining unit under subch. V or VI of ch. 111 for which a representative is certified. The proposal shall include the salary ranges and adjustments to the salary ranges for the university senior executive salary groups 1 and 2 established under s. 20.923 (4g).~~ The proposal shall be based upon the competitive ability of the board of regents to recruit and retain qualified faculty and academic staff, data collected as to rates of pay for comparable work in other public services, universities and commercial and industrial establishments, recommendations of the board of regents and any special studies carried on as to the need for any changes in compensation and employee benefits to cover each year of the biennium. The proposal shall also take proper account of prevailing pay rates, costs and standards of living and the state's employment policies. The proposal for such pay adjustments may contain recommendations for across-the-board pay adjustments, merit or other adjustments and employee benefit improvements. Paragraph (b) and sub. (1) (bf) shall apply to the process for approval of all pay adjustments for ~~such~~ University of Wisconsin System employees ~~under ss. 20.923 (4g), (5) and (6) (m) and 230.08 (2) (d).~~ The proposal as approved by the joint committee on employment relations and the governor shall be based upon a percentage of the budgeted salary base for ~~such~~ University of Wisconsin System employees ~~under ss. 20.923 (4g), (5) and (6) (m) and 230.08 (2) (d).~~ The amount included in the proposal for merit and adjustments other than across-the-board pay adjustments is available for discretionary use by the board of regents.

Attachment B

SECTION 9152. Nonstatutory provisions; University of Wisconsin System.**(1c) SUPPLEMENTAL PAY PLANS DURING 2011-13 FISCAL BIENNIUM.**

(a) *Board of Regents of the University of Wisconsin System.* During the 2011-13 fiscal biennium, the Board of Regents of the University of Wisconsin System may provide supplemental pay plans for all of its employees, other than employees assigned to the University of Wisconsin-Madison. The supplemental pay plans shall be in addition to any pay plan approved under section 230.12 (3) (e) 1. of the statutes. The board shall submit the plans to the joint committee on employment relations, and the plans may be implemented only upon approval of the committee. The board may not request supplemental funding under section 20.928 of the statutes to pay the costs of these plans and the board, under section 16.42 of the statutes, may not request any funding of increases in salary and fringe benefit costs provided in these plans.

(b) *Chancellor of the University of Wisconsin-Madison.* During the 2011-13 fiscal biennium, the chancellor of the University of Wisconsin-Madison may provide supplemental pay plans for all employees assigned to the University of Wisconsin-Madison. The supplemental pay plans shall be in addition to any pay plan approved under section 230.12 (3) (e) 1. of the statutes. ~~The chancellor shall submit the plans to the Board of Regents of the University of Wisconsin System. If the board approves the plans,~~ the chancellor shall submit the plans to the joint committee on employment relations and the plans may be implemented only upon approval of the committee. The board may not request supplemental funding under section 20.928 of the statutes to pay the costs of these plans and the board, under section 16.42 of the statutes, may not request any funding of increases in salary and fringe benefit costs provided in these plans.

Attachment C

36.09(1)(j)

(j) Except where such matters are a subject of bargaining with a certified representative of a collective bargaining unit under [s. 111.91](#) or [111.998](#), the board shall establish salaries for persons not in the classified staff prior to July 1 of each year for the next fiscal year, and shall designate the effective dates for payment of the new salaries. In the first year of the biennium, payments of the salaries established for the preceding year shall be continued until the biennial budget bill is enacted. If the budget is enacted after July 1, payments shall be made following enactment of the budget to satisfy the obligations incurred on the effective dates, as designated by the board, for the new salaries, subject only to the appropriation of funds by the legislature and [s. 20.928 \(3\)](#). This paragraph does not limit the authority of the board to establish salaries for new appointments. The board may not increase the salaries of employees specified in [ss. 20.923 \(5\) and \(6\) \(m\) and 230.08 \(2\) \(d\)](#) under this paragraph unless the salary increase conforms to the proposal as approved under [s. 230.12 \(3\) \(e\)](#) or the board authorizes the salary increase to correct salary inequities under [par. \(h\)](#), to fund job reclassifications or promotions, or to recognize competitive factors. The board may not increase the salary of any position identified in [s. 20.923 \(4g\)](#) under this paragraph unless the salary increase conforms to the proposal as approved under [s. 230.12 \(3\) \(e\)](#) or the board authorizes the salary increase to correct a salary inequity or to recognize competitive factors. The board may not increase the salary of any position identified in [s. 20.923 \(4g\) \(ae\) and \(am\)](#) to correct a salary inequity that results from the appointment of a person to a position identified in [s. 20.923 \(4g\) \(ae\) and \(am\)](#) unless the increase is approved by the office of state employment relations. The granting of salary increases to recognize competitive factors does not obligate inclusion of the annualized amount of the increases in the appropriations under [s. 20.285 \(1\)](#) for subsequent fiscal bienniums. No later than October 1 of each year, the board shall report to the joint committee on finance and the secretary of administration and director of the office of state employment relations concerning the amounts of any salary increases granted to recognize competitive factors, and the institutions at which they are granted, for the 12-month period ending on the preceding June 30.

Authorization to Establish the Regents'
Award for Distinguished Service
to the University of Wisconsin System

BOARD OF REGENTS

Resolution	That, upon the recommendation of the President of the Board of Regents and the President of the UW System, the Board of Regents establishes the Regents' Award for Distinguished Service to the University of Wisconsin System, to be given in recognition of extraordinary commitment, dedication, contributions, or service which have significantly advanced the University of Wisconsin System.
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Discussion Draft
**REGENTS' AWARD FOR
DISTINGUISHED SERVICE TO THE UNIVERSITY OF WISCONSIN SYSTEM**

The Regents' Award for Distinguished Service to the University of Wisconsin System is an honor given by the UW System Board of Regents for exemplary service or contributions, monetary or otherwise, to the UW System. Uniquely different from other Regent Awards, which honor achievements at individual UW System institutions, this non-monetary award recognizes dedication to the System as a whole.

Criteria:

1. The nominee must be an individual, couple, family, or organization that has demonstrated:
 - a. extraordinary commitment, dedication, contributions or service which have significantly advanced the UW System;
 - b. recognition of the value of the UW System as a collaborative entity, greater than the sum of its individual universities, colleges, and extension; and
 - c. exceptional pride in the UW System and its importance to the state of Wisconsin.
2. Ineligible for nomination:
 - a. previous recipients of the Award for Distinguished Service to the UW System;
 - b. current members of the UW System Board of Regents;
 - c. persons currently holding or running for elected state or federal public office in Wisconsin, and persons who have held state or federal public office within the prior two years; and
 - d. current UW employees or students.

Nomination and Selection Procedures:

Nominations may be submitted to the Board of Regents Office at any time by individual members of the Board of Regents, the UW System President, or UW System Chancellors. These nominators may solicit ideas for nominees from others. The Board of Regents will consider those award nominations that are on file in the Board of Regents Office once each year. The awardee will be chosen by a two-thirds vote of the Board of Regents. The award will be given at a Regents' meeting.

Documentation Required:

1. A letter of nomination, addressed to the President of the Board and submitted to the Board Office, addressing criterion #1, above; and
2. Supporting documents, such as résumés, newspaper articles, additional letters of support, or other evidence that the nominee meets the criteria.

FINANCIAL AID AND ITS RELATIONSHIP TO TUITION AND NET PRICE

EXECUTIVE SUMMARY

BACKGROUND

As discussed with the UW System Board of Regents at the February meeting, one of the stated goals of the *Growth Agenda for Wisconsin* is to consistently increase the number of degrees conferred each year, resulting in a cumulative increase in the number of graduates produced between 2009 and 2025 of 80,000. Attaining this goal means increasing access to—and success in—higher education for people who have not traditionally entered and completed post-secondary education. One of the keys to increasing student access and success is maintaining student affordability, and student financial aid plays a key role in student affordability.

With the national call to control the rising cost of achieving a college education, it is important to remember that UW System tuition rates do not reflect the actual price paid by students. As discussed at the February Board of Regents meeting, the UW System has been very effective in controlling the cost of education in Wisconsin, particularly when compared to other universities. Net Tuition Price reflects tuition minus financial aid. Students within the UW System receive financial aid from four primary sources: federal, state, institutional, and private. Federal financial aid is provided in three forms: grants, loans, and work study. State and institutional support is generally grants, with some limited support for on-campus work programs. Private aid can be in the form of grants or loans.

UW System undergraduate and graduate students received \$1.215 billion in financial aid in 2009-10. Of this total, they received \$355.8 million in grant funding, borrowed \$845.5 million in student loans, and received \$13.7 million in federal work study funding. The attached UW System Informational Memorandum provides detailed financial aid information for 2009-10. Also attached is “Funding Education Beyond High School: The Guide to Federal Student Aid/2010-11” from the U.S. Department of Education.

While this financial aid funding provides critical support in reducing the Net Price for UW System students and increasing affordability, there is still tremendous unmet financial need. UW System institutions are seeing greater numbers of students with higher levels of need, due to declines in student incomes and assets, which are the primary determinants of financial need and aid eligibility. This change in student income and need is a reflection of income declines and stagnation associated with the recession and an increase in the number of low-income students who are choosing to pursue a college degree.

These trends are reflected in the large increases in student eligibility for both the Federal Pell grant program and the Wisconsin Higher Education Grant (WHEG) program. The number of Pell awards to UW System resident undergraduates has increased from 27,608 in 2008-09 to 35,256 in 2009-10. Similarly, the number of WHEG awards increased from 25,423 in 2009-10 to 30,364 in 2010-11, with a waiting list exceeding 6,500 students.

At the March 2012 meeting, the Board of Regents will discuss a number of issues surrounding financial aid in higher education, including:

- Student Financial Need;
- Student Loan Indebtedness; and
- Access for Low-Income Students.

The presentation will also include a retrospective discussion on financial aid funding in the UW System over the last 30 years, and a look at financial aid award packaging from the perspective of three UW System institutions with different student populations. The presentation will include discussions with financial aid directors from three UW institutions, as well as ample time for Regent discussion.

REQUESTED ACTION

For information only; no action is required.

RELATED REGENT POLICIES

Regent Policy Document 32-5, "Tuition Policy Principles"



The University of Wisconsin System

Informational Memorandum

Student Financial Aid: 2009-10 Update

Highlights

What financial aid is available for UW students?

- UW System undergraduate and graduate students received \$1.215 billion in financial aid, an increase of 14 percent over 2008-09.
- UW students received \$355.8 million in grant funding, a 20 percent increase.
- UW students borrowed \$845.5 million in student loans, a 13 percent increase.
- UW students also received \$13.7 million in Federal Work-Study funding, a 7 percent decline.

What are the sources of financial aid?

- Federal sources accounted for 80 percent of UW System financial aid.
- State sources accounted for another 7 percent.
- UW System campuses provided 6 percent of UW System financial aid.
- Eight percent (8%) of UW System financial aid was provided by private or community sources.

How many UW students receive financial aid?

- A total of 121,021 UW System students received financial aid. This is 68 percent of all students enrolled.
- Seventy-one percent (71%) of undergraduate students, or 108,641 students, received some form of financial aid.
- Thirty-eight percent (38%) of undergraduate and graduate students, or 67,224 students, received a grant.
- Over half of all enrolled undergraduate and graduate students (56%), or 100,023 students, borrowed from a student loan program in 2009-10.
- Five percent (5%) of UW System undergraduate and graduate students (9,470) received Federal Work-Study.
- Seventy-one percent (71%) of resident undergraduates had loan debt at graduation. The average loan debt of these borrowers was \$25,397.

The University of Wisconsin System
Office of Policy Analysis and Research
March 2011

Additional reports available at <http://www.uwsa.edu/opar>

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OVERVIEW OF STUDENT FINANCIAL AID TRENDS

Overall, 121,021 UW students (68% of total enrollment) received \$1.215 billion in financial aid in 2009-10 (Table 1). Compared to 2008-09, the number of financial aid recipients increased by 7,333, while dollars awarded increased by \$153.1 million. Seventy-one (71%) percent of undergraduate students received some financial aid (including non-need based aid) in 2009-10.

On a yearly basis, the percentage of undergraduate and graduate students receiving some form of financial aid has risen since 2000-01. Between 2000-01 and 2009-10, there was a sizeable increase in the proportion of UW System students receiving financial aid among both undergraduate (resident and non-resident) and graduate students. During this period, the percent of UW System students receiving aid rose from 52 percent to 68 percent. The most dramatic rise in percent of UW System students aided was among graduate students; this group rose from 34 percent in 2000-01 to 49 percent in 2009-10.

Table 1
Financial Aid Provided to UW System Students

Year	Undergraduate						Graduate		Total Aided		
	Total		Resident		Non-Resident						
	#	%Enroll	#	%Enroll	#	%Enroll	#	%Enroll	#	\$M	%Enroll
84-85	62,425	44%	54,890	45%	7,535	41%	5,150	22%	67,575	\$214.2	41%
88-89	52,225	37%	46,074	38%	6,151	31%	4,899	20%	57,124	\$208.2	35%
92-93	60,700	45%	52,506	46%	8,194	41%	6,573	26%	67,273	\$288.9	42%
96-97	68,603	53%	57,617	53%	10,986	54%	7,063	31%	75,666	\$404.9	50%
00-01	76,602	55%	65,216	57%	11,386	49%	7,615	34%	84,217	\$497.8	52%
01-02	80,431	57%	68,578	58%	11,853	51%	8,163	36%	88,594	\$550.0	54%
02-03	84,705	60%	72,482	61%	12,223	53%	9,383	40%	94,088	\$622.9	57%
03-04	88,529	62%	76,141	64%	12,388	55%	9,918	41%	98,447	\$699.7	59%
04-05	92,007	64%	79,410	66%	12,597	56%	10,818	46%	102,825	\$767.4	62%
05-06	94,302	65%	81,292	67%	13,010	56%	11,221	48%	105,523	\$828.8	63%
06-07	95,580	66%	82,076	67%	13,504	57%	11,523	48%	107,103	\$881.2	63%
07-08	98,575	66%	84,045	68%	14,530	58%	11,537	47%	110,112	\$951.2	64%
08-09	101,651	67%	86,314	69%	15,337	58%	11,637	48%	113,288	\$1,061.9	65%
09-10	108,641	71%	92,280	73%	16,361	60%	12,380	49%	121,021	\$1,215.0	68%

Notes: Students with missing residency are included with residents
Students with missing classification are included with undergrads.

SOURCES OF AID FOR UW STUDENTS

Four out of every five financial aid dollars (80%) to UW students were provided or underwritten through a Federal program (Table 2). Aid from State sources represented less than one-tenth (7%) of all aid. Institutional aid accounted for 6 percent of the aid received by UW students. Institutional aid is made up primarily of scholarships funded through sources such as private donations to UW institutions.

The percentage of aid from Federal sources declined slowly since 1984-85, when 86 percent of all aid dollars were from this source, until 2007-08, when the share was 76 percent. State aid, as a percentage of all aid, peaked at 11 percent in the late 1980s and early 1990s and has remained at a fairly constant 7 to 8 percent since then. The share of aid from Federal and State sources has been replaced by aid from the "Other" category. Other aid accounted for 1 percent of all aid in 1984-85, compared to 8 percent in 2009-10. In 2009-10, UW System students received \$96.7 million in "Other" aid, which is comprised of \$65.0 million in alternative loans and \$31.7 million in non-Federal, non-Wisconsin State grants (which includes most private scholarships, including the Fund for Wisconsin Scholars awards). Alternative loans are offered through private companies or other non-Wisconsin State agencies and are not Federally guaranteed. Many of these programs are offered by banks and other large lenders, such as the Wells Fargo Collegiate Loan, which requires a cosigner and has a variable interest rate. Another example of an alternative loan program is the SELF loan (Student Educational Loan Fund) program, which is available to Minnesota residents through the Minnesota Office of Higher Education.

Another important trend is the decline in the share of grant aid from Federal sources (notably Pell Grants). Federal grants made up 30 percent of all aid in 1988-89. This percentage had declined to 11 percent by 2005-06. Since then, Federal grant aid has grown, most recently, because of increased Pell Grant aid. As a result, the percentage of grant aid from Federal sources increased to 15 percent in 2009-10.

Table 2
UW System Financial Aid by Source of Funding

Year	All Aid								Grants							
	Federal		State		Institution		Other		Federal		State		Institution		Other	
	\$M	%	\$M	%	\$M	%	\$M	%	\$M	%	\$M	%	\$M	%	\$M	%
84-85	\$185.1	86%	\$17.5	8%	\$8.9	4%	\$2.7	1%	\$45.6	21%	\$10.5	5%	\$3.6	2%	\$2.9	1%
88-89	\$176.7	85%	\$23.1	11%	\$5.0	2%	\$3.4	2%	\$61.7	30%	\$21.3	10%	\$2.7	1%	\$3.1	2%
92-93	\$235.3	82%	\$30.6	11%	\$13.8	5%	\$9.2	2%	\$68.3	24%	\$27.1	9%	\$12.9	5%	\$7.4	2%
96-97	\$340.4	84%	\$33.9	8%	\$17.8	4%	\$12.8	4%	\$51.7	13%	\$31.2	8%	\$17.1	4%	\$10.8	2%
00-01	\$406.3	81%	\$39.2	8%	\$27.2	5%	\$25.1	6%	\$65.7	16%	\$38.9	8%	\$25.5	5%	\$16.2	3%
01-02	\$446.1	81%	\$39.5	7%	\$31.3	6%	\$33.1	6%	\$78.2	14%	\$38.9	7%	\$29.5	5%	\$20.1	4%
02-03	\$502.7	81%	\$42.3	7%	\$36.7	6%	\$41.2	6%	\$88.6	14%	\$42.1	7%	\$34.9	4%	\$21.8	5%
03-04	\$560.2	80%	\$51.6	7%	\$37.2	5%	\$50.7	8%	\$92.8	13%	\$51.5	7%	\$35.2	5%	\$21.5	4%
04-05	\$603.8	79%	\$59.6	8%	\$39.9	5%	\$64.1	8%	\$95.8	12%	\$59.4	8%	\$38.1	5%	\$22.3	3%
05-06	\$639.1	77%	\$66.3	8%	\$41.9	5%	\$81.4	10%	\$92.2	11%	\$66.1	8%	\$39.9	5%	\$23.5	3%
06-07	\$668.8	76%	\$69.7	8%	\$48.4	5%	\$94.2	11%	\$102.8	12%	\$69.5	8%	\$46.2	5%	\$22.5	3%
07-08	\$722.8	76%	\$76.2	8%	\$54.3	6%	\$97.9	10%	\$116.7	12%	\$76.0	8%	\$52.2	5%	\$24.4	3%
08-09	\$827.3	78%	\$81.3	8%	\$58.7	6%	\$94.6	9%	\$130.8	12%	\$81.1	8%	\$56.1	5%	\$29.1	3%
09-10	\$970.2	80%	\$81.0	7%	\$67.2	6%	\$96.7	8%	\$179.0	15%	\$80.7	7%	\$64.4	5%	\$31.7	3%

LOANS

Loan aid comprises the largest component of financial aid to UW students. Loan dollars make up 70 percent of total financial aid dollars (Table 3). Eighty-three percent (83%) of financial aid recipients received a loan. Fifty-six percent (56%) of enrolled UW students borrowed in 2009-10, double the percentage who borrowed in the late 1980s.

Overall, loans disbursed have increased 148 percent since 2000-01. Funding increased from \$340.3 million in 2000-01 to \$845.5 million in 2009-10.

Table 3
UW System Distribution of Loans

Year	Borrowers	% Aid Recipients	% Enrollment	\$M	\$ as % Total Aid
84-85	59,336	88%	36%	\$136.8	64%
88-89	42,554	75%	26%	\$109.0	52%
92-93	48,592	72%	30%	\$162.3	56%
96-97	60,586	80%	40%	\$282.8	70%
00-01	66,797	79%	42%	\$340.3	68%
01-02	70,035	79%	43%	\$371.2	67%
02-03	74,621	79%	45%	\$421.8	68%
03-04	79,734	81%	48%	\$484.6	69%
04-05	83,025	81%	50%	\$537.1	70%
05-06	86,548	82%	51%	\$592.7	72%
06-07	88,182	82%	52%	\$625.8	71%
07-08	89,894	82%	52%	\$667.8	70%
08-09	92,508	82%	53%	\$750.0	71%
09-10	100,023	83%	56%	\$845.5	70%

The Federal government is the primary source for student borrowing. In 2009-10, the Federal government provided 92 percent (40% need based and 52% non-need based) of student loans (Table 4). Over time, students have been relying more on Federal non-need based loans and on alternative loans, which are reported in the "Other" category. Alternative loan activity peaked in 2007-08 and declined in 2008-09 to \$65.5 million, just slightly above the level recorded in 2009-10.

Table 4
UW System Loans by Source of Funding

Year	Federal				State		Institutional		Other		Total	
	Need Based		Non-Need Based									
	\$M	% Loans	\$M	% Loans	\$M	% Loans	\$M	% Loans	\$M	% Loans	\$M	% Loans
00-01	\$185.4	54%	\$144.5	42%	\$0.3	0.08%	\$1.7	0.50%	\$8.5	2%	\$340.3	100%
01-02	\$192.8	52%	\$162.6	44%	\$0.5	0.14%	\$1.8	0.48%	\$13.2	4%	\$371.2	100%
02-03	\$212.1	50%	\$188.1	45%	\$0.2	0.05%	\$1.8	0.43%	\$19.3	5%	\$421.8	100%
03-04	\$241.3	50%	\$212.0	44%	\$0.2	0.04%	\$2.0	0.41%	\$29.2	6%	\$484.6	100%
04-05	\$261.4	49%	\$232.0	43%	\$0.2	0.04%	\$1.8	0.34%	\$41.7	8%	\$537.1	100%
05-06	\$266.7	45%	\$265.8	45%	\$0.2	0.04%	\$2.1	0.35%	\$57.9	10%	\$592.7	100%
06-07	\$276.7	44%	\$275.0	44%	\$0.2	0.03%	\$2.2	0.35%	\$71.7	11%	\$625.8	100%
07-08	\$300.1	45%	\$291.9	44%	\$0.2	0.03%	\$2.1	0.31%	\$73.5	11%	\$667.8	100%
08-09	\$298.5	40%	\$383.2	51%	\$0.2	0.03%	\$2.6	0.35%	\$65.5	9%	\$750.0	100%
09-10	\$335.8	40%	\$441.7	52%	\$0.3	0.04%	\$2.8	0.33%	\$65.0	8%	\$845.5	100%

Note: Accurate totals for need- and non-need based loans are not available prior to 1998-99.

GRANTS

Grant aid comprised 29 percent of all financial aid dollars, a considerable decrease from 1988-89 when grants comprised 43 percent of all aid to UW students (Table 5). In addition, 56 percent of financial aid recipients received a grant in 2009-10. Since 1988-89, the percentage of aid recipients receiving grants and the percentage of aid dollars awarded as grants have both declined, although the percentage of enrolled students receiving a grant has increased.

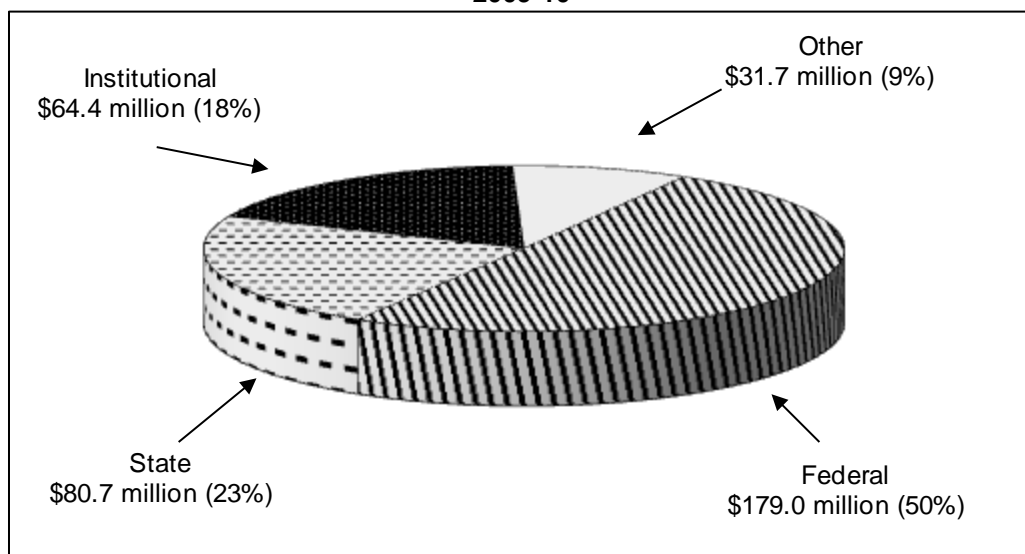
Since 2000-01, grant dollars disbursed have increased by 143 percent. Grants have increased by over \$200 million since 2000-01.

Table 5
UW System Distribution of Grants

Year	Recipients	% Aid Recipients	% Enrollment	\$M	\$ as % Total Aid
84-85	39,765	59%	24%	\$62.6	29%
88-89	41,654	73%	25%	\$88.8	43%
92-93	47,921	71%	30%	\$115.7	40%
96-97	43,394	57%	29%	\$110.8	27%
00-01	44,836	53%	28%	\$146.3	29%
01-02	48,458	55%	30%	\$166.7	30%
02-03	50,734	54%	31%	\$187.4	30%
03-04	52,382	53%	32%	\$201.0	29%
04-05	54,385	53%	33%	\$215.6	28%
05-06	55,968	53%	33%	\$221.7	27%
06-07	57,691	54%	34%	\$240.9	27%
07-08	61,275	56%	35%	\$269.3	28%
08-09	62,008	55%	35%	\$297.1	28%
09-10	67,224	56%	38%	\$355.8	29%

In 2009-10, Federal grants made up the largest source of grants (50%) received by UW students. Federal grant awards increased mostly because of the Pell grant, which will be discussed later. State grants were the second largest grant category, at 23 percent (Figure 1). Institutional grants were 18 percent of all grants. Grants in the "Other" category (9% of all grants) are those provided by private scholarships, such as the Fund for Wisconsin Scholars, and by other states to non-resident students.

Figure 1
Source of Grant Aid for UW System Students
2009-10



WHEG Grants to Wisconsin Residents

The largest need-based State grant program available to Wisconsin residents attending a UW institution is the Wisconsin Higher Education Grant (WHEG). One out of every five (20%) resident undergraduate students received a WHEG award in 2009-10 (Table 6). Other State grant programs are described in Appendix D.

Table 6
WHEG Awards to UW System Wisconsin Resident Undergraduates

Year	Recipients	Avg. Grant	Total \$ (Millions)	% Res UG Enroll
84-85	20,175	\$342	\$7.0	16%
88-89	21,452	\$633	\$13.6	18%
92-93	21,293	\$606	\$12.9	18%
96-97	19,217	\$815	\$15.7	18%
00-01	17,931	\$1,131	\$20.3	16%
01-02	19,155	\$1,018	\$19.5	16%
02-03	20,464	\$1,084	\$22.2	17%
03-04	22,808	\$1,244	\$28.4	19%
04-05	26,065	\$1,284	\$33.5	22%
05-06	24,517	\$1,682	\$41.2	20%
06-07	24,672	\$1,755	\$43.3	20%
07-08	26,326	\$1,892	\$49.8	21%
08-09	27,187	\$2,024	\$55.0	22%
09-10	25,624	\$2,161	\$55.4	20%
change from 08-09	-6%	7%	1%	-8%

The percentage of students receiving a WHEG award reached a low in 1999-00 when only 15 percent of resident undergraduate students received an award. After 1999-00, this percentage grew to 20 percent and above, where it has stayed. In 2009-10, the average WHEG award was \$2,161, a 7 percent increase from 2008-09. Since WHEG funding increased by only 1 percent, the number of WHEG recipients actually decreased by 6 percent in 2009-10.

Table 7 shows that UW-Superior had the highest percentage of resident undergraduates receiving a WHEG award (33%), while UW-Madison had the lowest (14%).

Table 7
**WHEG Awards to UW System Wisconsin Resident Undergraduates
2009-10**

UW Institution	Recipients	Avg. Grant	Total \$ (Millions)	% Res UG Enroll
UW-Madison	2,716	\$2,136	\$5.8	14%
UW-Milwaukee	5,227	\$2,209	\$11.5	22%
UW-Eau Claire	1,653	\$2,124	\$3.5	20%
UW-Green Bay	1,234	\$2,146	\$2.6	21%
UW-La Crosse	1,237	\$2,115	\$2.6	17%
UW-Oshkosh	2,131	\$2,125	\$4.5	19%
UW-Parkside	1,178	\$2,338	\$2.8	25%
UW-Platteville	1,310	\$2,111	\$2.8	23%
UW-River Falls	765	\$2,172	\$1.7	24%
UW-Stevens Point	2,178	\$2,124	\$4.6	27%
UW-Stout	1,198	\$2,158	\$2.6	22%
UW-Superior	448	\$2,202	\$1.0	33%
UW-Whitewater	1,836	\$2,170	\$4.0	21%
UW Colleges	2,513	\$2,133	\$5.4	19%
UW System	25,624	\$2,161	\$55.4	20%

Pell Grants to Wisconsin Resident Undergraduates

The largest Federal need-based grant program available to University of Wisconsin undergraduates is the Federal Pell Grant. Over one out of every four (28%) resident undergraduates received a Pell Grant award in 2009-10 (Table 8). After reaching a low point in 2000-01, the number of Pell Grant recipients increased each year through 2004-05, which was followed by a change in Pell Grant eligibility requirements which reduced the number of eligible recipients. Since then, the average award has grown, and there was a 28 percent increase in the number of resident undergraduate recipients in 2009-10. This increase was associated with an increase in Pell funding, a change in eligibility requirements, and the state of the economy.

Table 8
Pell Awards to UW System Wisconsin Resident Undergraduates

Year	Recipients	Avg. Grant	Total \$ (Millions)	% UG Res Enroll
84-85	28,640	\$1,097	\$32.5	23%
88-89	32,416	\$1,436	\$46.5	27%
92-93	30,787	\$1,561	\$48.0	27%
96-97	22,189	\$1,455	\$32.3	20%
00-01	21,833	\$1,960	\$42.8	19%
01-02	23,821	\$2,208	\$52.6	20%
02-03	25,125	\$2,361	\$59.3	21%
03-04	26,722	\$2,413	\$64.5	22%
04-05	26,956	\$2,425	\$65.4	22%
05-06	25,598	\$2,434	\$62.3	21%
06-07	25,779	\$2,486	\$64.1	21%
07-08	27,751	\$2,667	\$74.0	22%
08-09	27,608	\$3,065	\$84.6	22%
09-10	35,256	\$3,622	\$127.7	28%
change from 08-09	28%	18%	51%	25%

Pell, SEOG, and WHEG Awards to UW System Students

After Pell, the largest Federal grant program available to University of Wisconsin undergraduates is the Supplemental Educational Opportunity Grant (SEOG). Table 9 shows that in 2009-10, 39,448 UW System undergraduates received a Pell award and 16,596 undergraduates received a SEOG award. (According to Federal guidelines, Pell recipients have the highest priority in receiving SEOG awards, so there is overlap between these two award populations.) The average Pell award for all recipients was \$3,621, a large increase due to increased stimulus funding, revised eligibility criteria, and the general state of the economy. The average SEOG award was \$615. The funding level for the SEOG program has remained fairly constant for over a decade. A table showing Pell recipients by UW institution is found in Appendix E.

Table 9
Financial Aid Grants to UW System Undergraduate Students

Year	Federal Pell			Federal SEOG			State WHEG		
	#	\$ M	Avg	#	\$ M	Avg	#	\$ M	Avg
84-85	31,981	\$36.6	\$1,144	13,344	\$7.9	\$595	20,175	\$6.9	\$342
88-89	36,196	\$51.8	\$1,431	21,356	\$8.9	\$416	21,452	\$13.6	\$633
92-93	34,593	\$54.0	\$1,561	16,505	\$9.4	\$568	21,293	\$12.9	\$606
96-97	24,906	\$36.2	\$1,455	15,726	\$9.6	\$611	19,217	\$15.7	\$815
00-01	24,560	\$48.1	\$1,960	15,344	\$10.4	\$679	17,931	\$20.3	\$1,131
01-02	26,759	\$59.0	\$2,206	14,818	\$11.2	\$757	19,155	\$19.5	\$1,018
02-03	28,180	\$66.5	\$2,358	15,313	\$11.1	\$725	20,464	\$22.2	\$1,084
03-04	29,783	\$71.8	\$2,410	15,216	\$11.0	\$720	22,808	\$28.4	\$1,244
04-05	29,913	\$72.5	\$2,424	15,648	\$10.4	\$666	26,065	\$33.5	\$1,284
05-06	28,441	\$69.1	\$2,429	14,815	\$10.0	\$676	24,517	\$41.2	\$1,682
06-07	28,707	\$71.2	\$2,482	15,368	\$10.0	\$649	24,672	\$43.3	\$1,755
07-08	30,813	\$82.2	\$2,666	15,461	\$9.8	\$635	26,326	\$49.8	\$1,892
08-09	30,828	\$94.5	\$3,067	16,085	\$10.2	\$633	27,187	\$55.0	\$2,024
09-10	39,448	\$142.8	\$3,621	16,596	\$10.2	\$615	25,624	\$55.4	\$2,161

Table 10 shows the percentage of financial aid recipients participating in the three major need-based grant programs. In 2009-10, 33 percent of recipients received a Pell award; 14 percent of recipients received a SEOG; and 21 percent received a WHEG award. These percentages have been fairly constant over the past several years. However, all three programs are much smaller than in 1988-89, by both the percentage of recipients participating, and in the percentage of financial aid dollars dedicated to these programs. An exception to this trend is the 6 percentage point increase in Pell recipients in 2009-10.

Table 10
**Percentage of UW System Financial Aid Recipients
Receiving Pell, SEOG, and WHEG Awards**

Year	Federal Pell		Federal SEOG		State WHEG	
	% Recips	% of \$	% Recips	% of \$	% Recips	% of \$
84-85	47%	17%	19%	4%	30%	3%
88-89	63%	25%	37%	4%	38%	7%
92-93	51%	19%	25%	3%	32%	5%
96-97	33%	9%	21%	2%	25%	4%
00-01	29%	10%	18%	2%	21%	4%
01-02	30%	11%	17%	2%	22%	4%
02-03	30%	11%	16%	2%	22%	4%
03-04	30%	10%	15%	2%	23%	4%
04-05	29%	9%	15%	1%	25%	4%
05-06	27%	8%	14%	1%	23%	5%
06-07	27%	8%	14%	1%	23%	5%
07-08	28%	9%	14%	1%	24%	5%
08-09	27%	9%	14%	1%	24%	5%
09-10	33%	12%	14%	1%	21%	5%

FEDERAL WORK-STUDY

In 2009-10, \$13.7 million were provided through Federal Work-Study, a work program that includes both Federal and State contributions. In 2009-10, 9,470 graduate and undergraduate students participated in work-study programs, which accounted for 1 percent of all financial aid dollars (Table 11).

Table 11
Distribution of Federal Work-Study
to UW System Graduate and Undergraduate Students

Year	Recipients	% Aid Recipients	% Enrollment	\$M	\$ as % Total Aid
84-85	10,906	16%	7%	\$9.7	5%
88-89	9,608	17%	6%	\$8.7	4%
92-93	9,823	15%	6%	\$10.4	4%
96-97	9,321	12%	6%	\$10.5	3%
00-01	8,986	11%	6%	\$11.2	2%
01-02	9,115	10%	6%	\$12.1	2%
02-03	9,980	11%	6%	\$13.7	2%
03-04	9,904	10%	6%	\$14.1	2%
04-05	9,886	10%	6%	\$14.7	2%
05-06	9,576	9%	6%	\$14.3	2%
06-07	9,509	9%	6%	\$14.4	2%
07-08	9,314	8%	5%	\$14.1	1%
08-09	9,251	8%	5%	\$14.8	1%
09-10	9,470	8%	5%	\$13.7	1%

Note: Federal Work-Study includes Reserve Officer Training Corps (ROTC) funding.

CHARACTERISTICS OF FINANCIAL AID RECIPIENTS

Most financial aid recipients in the UW System are financially dependent. Sixty-six percent (66%) of all aid recipients and 73 percent of undergraduate aid recipients were dependent in 2009-10 (Table 12). A higher percentage of non-resident undergraduate aid recipients are dependent (78%) compared to resident undergraduate recipients (72%).

Table 12
UW System Financial Aid Recipients by Dependency Level
2009-10

		Dependent		Independent		Unknown		Total	
		#	%	#	%	#	%	#	%
Undergrads	Resident	66,834	72%	20,204	22%	5,242	6%	92,280	100%
	Non-Resident	12,697	78%	1,792	11%	1,872	11%	16,361	100%
	Total Undergraduates	79,531	73%	21,996	20%	7,114	7%	108,641	100%
Graduates	Resident	10	0%	7,541	88%	1,051	12%	8,602	100%
	Non-Resident	1	0%	2,798	74%	979	26%	3,778	100%
	Total Graduates	11	0%	10,339	84%	2,030	16%	12,380	100%
Total		79,542	66%	32,335	27%	9,144	8%	121,021	100%

Ninety-one percent (91%) of all UW underrepresented minority students (URM) received some form of financial aid in 2009-10 (Table 13). Eighty-seven percent (87%) of these students had demonstrated financial need as defined by the Federal Needs Analysis methodology. URM students identified as African American, Hispanic/Latino(a), American Indian, and Southeast Asian, either alone or in combination with other race/ethnic identifications.

By comparison, 65 percent of White/Unknown students and 59 percent of Other Asian American students received financial aid. The group with the highest percentage of enrolled students receiving aid was African Americans, with 97 percent of all students.

Table 13
UW System Financial Aid Recipients by Race/Ethnicity
2009-10

		# Recipients	% Aided	% Recipients of Enrolled	% Recipients with Need
Undergraduate	African American	4,584	4.2%	99%	91%
	Hispanic/Latino(a)	3,764	3.5%	84%	81%
	American Indian	864	0.8%	92%	83%
	Southeast Asian	2,761	2.5%	99%	96%
	Two or More Races-URM	908	0.8%	92%	82%
	<i>Underrepresented Minorities</i>	12,881	11.9%	93%	88%
	Hawaiian/Pacific Islander	97	0.1%	72%	73%
	Other Asian American	1,628	1.5%	63%	77%
	Two or More Races-non-URM	287	0.3%	74%	67%
	White/Unknown	93,748	86.3%	68%	71%
	Total Undergraduate	108,641	100.0%	71%	73%
Graduate	African American	669	5.4%	88%	86%
	Hispanic/Latino(a)	477	3.9%	69%	79%
	American Indian	121	1.0%	78%	83%
	Southeast Asian	159	1.3%	78%	90%
	Two or More Races-URM	79	0.6%	76%	85%
	<i>Underrepresented Minorities</i>	1,505	12.2%	79%	84%
	Hawaiian/Pacific Islander	14	0.1%	88%	79%
	Other Asian American	313	2.5%	45%	86%
	Two or More Races-non-URM	33	0.3%	54%	88%
	White/Unknown	10,515	84.9%	47%	78%
	Total Graduate	12,380	100.0%	54%	79%
Total	African American	5,253	4.3%	97%	90%
	Hispanic/Latino(a)	4,241	3.5%	82%	81%
	American Indian	985	0.8%	90%	83%
	Southeast Asian	2,920	2.4%	98%	96%
	Two or More Races-URM	987	0.8%	91%	82%
	<i>Underrepresented Minorities</i>	14,386	11.9%	91%	87%
	Hawaiian/Pacific Islander	111	0.1%	74%	74%
	Other Asian American	1,941	1.6%	59%	78%
	Two or More Races-non-URM	320	0.3%	71%	69%
	White/Unknown	104,263	86.2%	65%	72%
	Total UW System	121,021	100.0%	68%	74%

Notes: Underrepresented minorities (URM) include students identifying as African American, Hispanic/Latino(a), American Indian, and Southeast Asian, alone or in combination with other race/ethnicities.

Two or More Races-URM includes students identifying as two or more races, one of which is a URM group.

Two or More Races-non-URM includes students identifying as two or more races, neither of which is a URM group.

STUDENT INDEBTEDNESS

UW resident undergraduate students who borrowed both need and non-need based loans during their academic careers had an average debt of \$25,397 at graduation in 2009-10 (Table 14). This represents a 7 percent increase from 2008-09. Seventy-one percent (71%) of resident undergraduate students who graduated in 2009-10 had loan debt at graduation, compared to a low of 50 percent in 1992-93. The amount of loan debt has increased steadily since then, even when measured in constant Fiscal Year (FY) 1986 dollars. Loan debt has more than doubled since 1992-93.

The proportion of resident undergraduate debt coming from non-need based loan programs increased by 3 percentage points from last year and now stands at 46 percent. Non-need based loan programs have a higher overall cost of borrowing.

Table 14
Cumulative Student Loan Debt
UW System Wisconsin Resident Undergraduates Completing a Bachelor's Degree
Who Borrowed While in College

Year	Loan Recipients	% UG Res Degrees	Average Debt	Avg Debt (FY86 \$)	% \$ Non-Need
84-85	10,016	62%	\$5,954	\$6,123	21%
88-89	9,301	56%	\$6,946	\$6,235	5%
92-93	8,345	50%	\$8,076	\$6,166	16%
96-97	9,261	58%	\$13,332	\$9,129	27%
00-01	10,062	60%	\$15,611	\$9,700	29%
01-02	10,374	62%	\$16,046	\$9,797	31%
02-03	10,475	62%	\$16,523	\$9,932	32%
03-04	11,885	63%	\$17,250	\$10,085	34%
04-05	11,661	64%	\$18,378	\$10,430	35%
05-06	12,140	66%	\$19,809	\$10,830	36%
06-07	12,735	67%	\$21,104	\$11,250	39%
07-08	13,307	68%	\$22,401	\$11,513	41%
08-09	13,459	69%	\$23,789	\$12,106	43%
09-10	13,878	71%	\$25,397	\$12,745	46%

Cumulative loan debt among borrowers was highest at UW-Milwaukee (Table 15). The highest percentage of Wisconsin resident graduates with loan debt was at UW-Superior (87%) and the lowest was at UW-Madison (59%). Average debt for all resident undergraduates receiving a bachelor's degree, regardless of whether incurring loan debt or not, was \$17,962.

Table 15
Cumulative Student Loan Debt for 2009-10
UW System Wisconsin Resident Undergraduates Completing a Bachelor's Degree

	Loan Recipients	% Grads with Loan Debt	Average Debt of Borrowers	Average Debt of all Graduates
UW-Madison	2,517	59%	\$24,717	\$14,597
UW-Milwaukee	2,530	74%	\$29,019	\$21,619
UW-Eau Claire	1,117	72%	\$22,571	\$16,172
UW-Green Bay	793	76%	\$22,321	\$17,069
UW-La Crosse	1004	71%	\$23,411	\$16,552
UW-Oshkosh	1,302	73%	\$27,808	\$20,409
UW-Parkside	361	72%	\$25,324	\$18,248
UW-Platteville	644	74%	\$22,655	\$16,712
UW-River Falls	411	81%	\$22,805	\$18,415
UW-Stevens Point	1,107	74%	\$24,467	\$18,008
UW-Stout	746	78%	\$27,688	\$21,516
UW-Superior	186	87%	\$25,081	\$21,698
UW-Whitewater	1,160	72%	\$24,739	\$17,802
Total	13,878	71%	\$25,397	\$17,962

Figure 2 shows the distribution of cumulative loan debt among UW System Wisconsin resident undergraduates completing a degree. There is a sizable group of graduates with comparatively high levels of debt. Of all graduates with debt in 2009-10, 1,545 (or 11%) had cumulative loan debt greater than \$45,000.

Figure 2
Cumulative Student Loan Debt for 2009-10
UW System Wisconsin Resident Undergraduates Completing a Bachelor's Degree



Although the percentage of students graduating with loan debt has increased in the past several years, the student loan default rate for UW students (2.3%) remains low (Table 16). The student loan default rate for UW graduates is significantly lower than the student loan default rate of all borrowers nationally, showing that the great majority of student loan borrowers are committed to making their loan payments and are doing so.

Table 16
Student Loan Default Rates
UW System and National Data

	1995	1998	2000	2002	2004	2005	2006	2007	2008
UW System	4.2%	3.6%	2.7%	2.5%	1.6%	1.4%	1.3%	1.8%	2.3%
National	10.4%	6.9%	5.9%	5.2%	5.1%	4.6%	5.2%	6.7%	7.0%

Source: U.S. Department of Education

Appendix A
UW System Financial Aid Dollars (in Millions) by Institution
2009-10

	Grants						Loans		Work Study		Total	
	Fed.	State	Inst.	Other	Total	%	Total	%	Total	%	Total \$M	%
UW-Madison	\$21.7	\$15.4	\$42.8	\$10.0	\$90.0	25%	\$200.9	24%	\$4.5	33%	\$295.4	24%
UW-Milwaukee	\$40.4	\$16.6	\$8.2	\$2.6	\$67.8	19%	\$173.7	21%	\$1.6	11%	\$243.0	20%
UW-Eau Claire	\$10.9	\$4.8	\$1.3	\$2.5	\$19.4	5%	\$45.5	5%	\$1.2	9%	\$66.1	5%
UW-Green Bay	\$8.3	\$3.5	\$2.5	\$1.1	\$15.3	4%	\$28.0	3%	\$0.3	2%	\$43.6	4%
UW-La Crosse	\$7.9	\$3.7	\$0.8	\$2.3	\$14.7	4%	\$46.3	5%	\$0.4	3%	\$61.4	5%
UW-Oshkosh	\$12.8	\$5.9	\$1.1	\$1.6	\$21.4	6%	\$60.1	7%	\$0.7	5%	\$82.2	7%
UW-Parkside	\$8.5	\$3.8	\$1.2	\$0.6	\$14.1	4%	\$23.5	3%	\$0.1	1%	\$37.7	3%
UW-Platteville	\$8.3	\$3.4	\$1.0	\$1.4	\$14.1	4%	\$36.3	4%	\$0.5	4%	\$51.0	4%
UW-River Falls	\$7.3	\$2.0	\$0.5	\$1.4	\$11.2	3%	\$35.2	4%	\$0.4	3%	\$46.8	4%
UW-Stevens Point	\$12.8	\$5.4	\$1.0	\$2.1	\$21.3	6%	\$43.4	5%	\$1.6	11%	\$66.3	5%
UW-Stout	\$9.2	\$3.4	\$0.6	\$1.5	\$14.6	4%	\$49.5	6%	\$0.7	5%	\$64.8	5%
UW-Superior	\$4.7	\$1.3	\$1.7	\$0.6	\$8.4	2%	\$15.4	2%	\$0.3	2%	\$24.1	2%
UW-Whitewater	\$10.7	\$5.6	\$1.1	\$2.6	\$19.9	6%	\$58.2	7%	\$0.8	6%	\$78.9	6%
UW Colleges	\$15.5	\$6.0	\$0.6	\$1.5	\$23.6	7%	\$29.5	3%	\$0.5	4%	\$53.6	4%
UW System	\$179.0	\$80.7	\$64.4	\$31.7	\$355.8	100%	\$845.5	100%	\$13.7	100%	\$1,215.0	100%

Notes: Percentages may not add to 100% due to rounding.
All dollars are in millions.

Appendix B
UW System Financial Aid Recipients by Institution, Level, and Residency for 2009-10

	UW System	Undergraduate		Graduate		Total
		Resident	Non-Resident	Resident	Non-Resident	
Totals	# Total Aided	92,280	16,361	8,602	3,778	121,021
	% of UWS Total Aided	76.3%	13.5%	7.1%	3.1%	100.0%
	% of UWS Enrollment	72.8%	60.4%	56.5%	38.5%	67.6%
Grants	# Grant Recipients	54,172	8,797	2,639	1,616	67,224
	% of UWS Grant Recips	80.6%	13.1%	3.9%	2.4%	100.0%
	% of UWS Enrollment	42.7%	32.5%	17.3%	16.5%	37.6%
Loans	# Borrowers	76,666	13,326	7,344	2,687	100,023
	% of UWS Borrowers	76.6%	13.3%	7.3%	2.7%	100.0%
	% of UWS Enrollment	60.5%	49.2%	48.2%	27.4%	55.9%
	UW-Madison	Undergraduate		Graduate		Total
		Resident	Non-Resident	Resident	Non-Resident	
Totals	# Total Aided	13,434	4,659	3,061	2,046	23,200
	% of UWS Total Aided w/in Category	14.6%	28.5%	35.6%	54.2%	19.2%
	% of Institution Total Aided	57.9%	20.1%	13.2%	8.8%	100.0%
	% of UWS Enrollment w/in Category	10.6%	17.2%	20.1%	20.9%	13.0%
	% of Institution Enrollment w/in Category	68.6%	45.1%	60.2%	30.8%	55.7%
Grants	# Grant Recipients	10,404	3,146	1,036	918	15,504
	% of UWS Grant Recips w/in Category	19.2%	35.8%	39.3%	56.8%	23.1%
	% of Institution Grant Recips	67.1%	20.3%	6.7%	5.9%	100.0%
	% of UWS Enrollment w/in Category	8.2%	11.6%	6.8%	9.4%	8.7%
	% of Institution Enrollment w/in Category	53.1%	30.4%	20.4%	13.8%	37.2%
Loans	# Borrowers	9,470	3,135	2,765	1,477	16,847
	% of UWS Borrowers w/in Category	12.4%	23.5%	37.6%	55.0%	16.8%
	% of Institution Borrowers	56.2%	18.6%	16.4%	8.8%	100.0%
	% of UWS Enrollment w/in Category	7.5%	11.6%	18.2%	15.1%	9.4%
	% of Institution Enrollment w/in Category	48.4%	30.3%	54.4%	22.2%	40.4%
	UW-Milwaukee	Undergraduate		Graduate		Total
		Resident	Non-Resident	Resident	Non-Resident	
Totals	# Total Aided	18,105	758	2,367	959	22,189
	% of UWS Total Aided w/in Category	19.6%	4.6%	27.5%	25.4%	18.3%
	% of Institution Total Aided	81.6%	3.4%	10.7%	4.3%	100.0%
	% of UWS Enrollment w/in Category	14.3%	2.8%	15.5%	9.8%	12.4%
	% of Institution Enrollment w/in Category	75.7%	59.6%	63.0%	65.7%	72.9%
Grants	# Grant Recipients	9,618	370	664	511	11,163
	% of UWS Grant Recips w/in Category	17.8%	4.2%	25.2%	31.6%	16.6%
	% of Institution Grant Recips	86.2%	3.3%	5.9%	4.6%	100.0%
	% of UWS Enrollment w/in Category	7.6%	1.4%	4.4%	5.2%	6.2%
	% of Institution Enrollment w/in Category	40.2%	29.1%	17.7%	35.0%	36.7%
Loans	# Borrowers	15,763	642	1,983	545	18,933
	% of UWS Borrowers w/in Category	20.6%	4.8%	27.0%	20.3%	18.9%
	% of Institution Borrowers	83.3%	3.4%	10.5%	2.9%	100.0%
	% of UWS Enrollment w/in Category	12.4%	2.4%	13.0%	5.6%	10.6%
	% of Institution Enrollment w/in Category	65.9%	50.5%	52.8%	37.4%	62.2%

Appendix B
UW System Financial Aid Recipients by Institution, Level, and Residency for 2009-10

	UW-Eau Claire	Undergraduate		Graduate		Total
		Resident	Non-Resident	Resident	Non-Resident	
Totals	# Total Aided	6,108	1,568	219	59	7,954
	% of UWS Total Aided w/in Category	6.6%	9.6%	2.5%	1.6%	6.6%
	% of Institution Total Aided	76.8%	19.7%	2.8%	0.7%	100.0%
	% of UWS Enrollment w/in Category	4.8%	5.8%	1.4%	0.6%	4.4%
	% of Institution Enrollment w/in Category	74.5%	64.8%	47.5%	42.8%	70.9%
Grants	# Grant Recipients	3,454	700	63	18	4,235
	% of UWS Grant Recips w/in Category	6.4%	8.0%	2.4%	1.1%	6.3%
	% of Institution Grant Recips	81.6%	16.5%	1.5%	0.4%	100.0%
	% of UWS Enrollment w/in Category	2.7%	2.6%	0.4%	0.2%	2.4%
	% of Institution Enrollment w/in Category	42.1%	28.9%	13.7%	13.0%	37.8%
Loans	# Borrowers	5,148	1,346	188	51	6,733
	% of UWS Borrowers w/in Category	6.7%	10.1%	2.6%	1.9%	6.7%
	% of Institution Borrowers	76.5%	20.0%	2.8%	0.8%	100.0%
	% of UWS Enrollment w/in Category	4.1%	5.0%	1.2%	0.5%	3.8%
	% of Institution Enrollment w/in Category	62.8%	55.6%	40.8%	37.0%	60.0%
	UW-Green Bay	Undergraduate		Graduate		Total
		Resident	Non-Resident	Resident	Non-Resident	
Totals	# Total Aided	4,485	272	82	3	4,842
	% of UWS Total Aided w/in Category	4.9%	1.7%	1.0%	0.1%	4.0%
	% of Institution Total Aided	92.6%	5.6%	1.7%	0.1%	100.0%
	% of UWS Enrollment w/in Category	3.5%	1.0%	0.5%	0.0%	2.7%
	% of Institution Enrollment w/in Category	74.8%	72.7%	31.7%	30.0%	72.9%
Grants	# Grant Recipients	2,392	184	30	2	2,608
	% of UWS Grant Recips w/in Category	4.4%	2.1%	1.1%	0.1%	3.9%
	% of Institution Grant Recips	91.7%	7.1%	1.2%	0.1%	100.0%
	% of UWS Enrollment w/in Category	3.5%	1.0%	0.5%	0.0%	2.7%
	% of Institution Enrollment w/in Category	39.9%	49.2%	11.6%	20.0%	39.3%
Loans	# Borrowers	3,786	190	64	1	4,041
	% of UWS Borrowers w/in Category	4.9%	1.4%	0.9%	0.0%	4.0%
	% of Institution Borrowers	93.7%	4.7%	1.6%	0.0%	100.0%
	% of UWS Enrollment w/in Category	3.0%	0.7%	0.4%	0.0%	2.3%
	% of Institution Enrollment w/in Category	63.2%	50.8%	24.7%	10.0%	60.9%
	UW-La Crosse	Undergraduate		Graduate		Total
		Resident	Non-Resident	Resident	Non-Resident	
Totals	# Total Aided	5,172	976	443	127	6,718
	% of UWS Total Aided w/in Category	5.6%	6.0%	5.1%	3.4%	5.6%
	% of Institution Total Aided	77.0%	14.5%	6.6%	1.9%	100.0%
	% of UWS Enrollment w/in Category	4.1%	3.6%	2.9%	1.3%	3.8%
	% of Institution Enrollment w/in Category	71.9%	58.2%	48.6%	56.2%	67.1%
Grants	# Grant Recipients	2,764	448	45	24	3,281
	% of UWS Grant Recips w/in Category	5.1%	5.1%	1.7%	1.5%	4.9%
	% of Institution Grant Recips	84.2%	13.7%	1.4%	0.7%	100.0%
	% of UWS Enrollment w/in Category	4.1%	3.6%	2.9%	1.3%	3.8%
	% of Institution Enrollment w/in Category	38.4%	26.7%	4.9%	10.6%	32.8%
Loans	# Borrowers	4,422	827	430	121	5,800
	% of UWS Borrowers w/in Category	5.8%	6.2%	5.9%	4.5%	5.8%
	% of Institution Borrowers	76.2%	14.3%	7.4%	2.1%	100.0%
	% of UWS Enrollment w/in Category	3.5%	3.1%	2.8%	1.2%	3.2%
	% of Institution Enrollment w/in Category	61.5%	49.3%	47.1%	53.5%	57.9%

Appendix B
UW System Financial Aid Recipients by Institution, Level, and Residency for 2009-10

	UW-Oshkosh	Undergraduate		Graduate		Total
		Resident	Non-Resident	Resident	Non-Resident	
Totals	# Total Aided	7,717	213	456	11	8,397
	% of UWS Total Aided w/in Category	8.4%	1.3%	5.3%	0.3%	6.9%
	% of Institution Total Aided	91.9%	2.5%	5.4%	0.1%	100.0%
	% of UWS Enrollment w/in Category	6.1%	0.8%	3.0%	0.1%	4.7%
	% of Institution Enrollment w/in Category	68.0%	65.3%	31.3%	17.5%	63.7%
Grants	# Grant Recipients	3,884	94	121	2	4,101
	% of UWS Grant Recips w/in Category	7.2%	1.1%	4.6%	0.1%	6.1%
	% of Institution Grant Recips	94.7%	2.3%	3.0%	0.0%	100.0%
	% of UWS Enrollment w/in Category	3.1%	0.3%	0.8%	0.0%	2.3%
	% of Institution Enrollment w/in Category	34.2%	28.8%	8.3%	3.2%	31.1%
Loans	# Borrowers	6,859	178	386	9	7,432
	% of UWS Borrowers w/in Category	8.9%	1.3%	5.3%	0.3%	7.4%
	% of Institution Borrowers	92.3%	2.4%	5.2%	0.1%	100.0%
	% of UWS Enrollment w/in Category	5.4%	0.7%	2.5%	0.1%	4.2%
	% of Institution Enrollment w/in Category	60.5%	54.6%	26.5%	14.3%	56.3%
	UW-Parkside	Undergraduate		Graduate		Total
		Resident	Non-Resident	Resident	Non-Resident	
Totals	# Total Aided	3,533	389	47	5	3,974
	% of UWS Total Aided w/in Category	3.8%	2.4%	0.5%	0.1%	3.3%
	% of Institution Total Aided	88.9%	9.8%	1.2%	0.1%	100.0%
	% of UWS Enrollment w/in Category	2.8%	1.4%	0.3%	0.1%	2.2%
	% of Institution Enrollment w/in Category	75.7%	79.7%	39.2%	16.7%	74.9%
Grants	# Grant Recipients	2,239	250	13	0	2,502
	% of UWS Grant Recips w/in Category	4.1%	2.8%	0.5%	0.0%	3.7%
	% of Institution Grant Recips	89.5%	10.0%	0.5%	0.0%	100.0%
	% of UWS Enrollment w/in Category	1.8%	0.9%	0.1%	0.0%	1.4%
	% of Institution Enrollment w/in Category	48.0%	51.2%	10.8%	0.0%	47.2%
Loans	# Borrowers	2,945	310	44	5	3,304
	% of UWS Borrowers w/in Category	3.8%	2.3%	0.6%	0.2%	3.3%
	% of Institution Borrowers	89.1%	9.4%	1.3%	0.2%	100.0%
	% of UWS Enrollment w/in Category	2.3%	1.1%	0.3%	0.1%	1.8%
	% of Institution Enrollment w/in Category	63.1%	63.5%	36.7%	16.7%	62.3%
	UW-Platteville	Undergraduate		Graduate		Total
		Resident	Non-Resident	Resident	Non-Resident	
Totals	# Total Aided	4,274	997	203	69	5,543
	% of UWS Total Aided w/in Category	4.6%	6.1%	2.4%	1.8%	4.6%
	% of Institution Total Aided	77.1%	18.0%	3.7%	1.2%	100.0%
	% of UWS Enrollment w/in Category	3.4%	3.7%	1.3%	0.7%	3.1%
	% of Institution Enrollment w/in Category	75.9%	74.6%	41.2%	20.4%	71.0%
Grants	# Grant Recipients	2,477	511	58	1	3,047
	% of UWS Grant Recips w/in Category	4.6%	5.8%	2.2%	0.1%	4.5%
	% of Institution Grant Recips	81.3%	16.8%	1.9%	0.0%	100.0%
	% of UWS Enrollment w/in Category	2.0%	1.9%	0.4%	0.0%	1.7%
	% of Institution Enrollment w/in Category	44.0%	38.2%	11.8%	0.3%	39.0%
Loans	# Borrowers	3,807	944	198	69	5,018
	% of UWS Borrowers w/in Category	5.0%	7.1%	2.7%	2.6%	5.0%
	% of Institution Borrowers	75.9%	18.8%	3.9%	1.4%	100.0%
	% of UWS Enrollment w/in Category	3.0%	3.5%	1.3%	0.7%	2.8%
	% of Institution Enrollment w/in Category	67.6%	70.6%	40.2%	20.4%	64.3%

Appendix B
UW System Financial Aid Recipients by Institution, Level, and Residency for 2009-10

	UW-River Falls	Undergraduate		Graduate		Total
		Resident	Non-Resident	Resident	Non-Resident	
Totals	# Total Aided	2,527	2,342	173	134	5,176
	% of UWS Total Aided w/in Category	2.7%	14.3%	2.0%	3.5%	4.3%
	% of Institution Total Aided	48.8%	45.2%	3.3%	2.6%	100.0%
	% of UWS Enrollment w/in Category	2.0%	8.7%	1.1%	1.4%	2.9%
	% of Institution Enrollment w/in Category	80.4%	76.0%	55.4%	69.1%	76.9%
Grants	# Grant Recipients	1,483	999	8	10	2,500
	% of UWS Grant Recips w/in Category	3.0%	12.0%	0.3%	0.7%	4.0%
	% of Institution Grant Recips	59.3%	40.0%	0.3%	0.4%	100.0%
	% of UWS Enrollment w/in Category	1.2%	3.7%	0.1%	0.1%	1.4%
	% of Institution Enrollment w/in Category	47.2%	32.4%	2.6%	5.2%	37.2%
Loans	# Borrowers	2,168	2,117	171	132	4,588
	% of UWS Borrowers w/in Category	2.8%	15.9%	2.3%	4.9%	4.6%
	% of Institution Borrowers	47.3%	46.1%	3.7%	2.9%	100.0%
	% of UWS Enrollment w/in Category	1.7%	7.8%	1.1%	1.3%	2.6%
	% of Institution Enrollment w/in Category	69.0%	68.7%	54.8%	68.0%	68.2%
	UW-Stevens Point	Undergraduate		Graduate		Total
		Resident	Non-Resident	Resident	Non-Resident	
Totals	# Total Aided	6,449	577	363	53	7,442
	% of UWS Total Aided w/in Category	7.0%	3.5%	4.2%	1.4%	6.1%
	% of Institution Total Aided	86.7%	7.8%	4.9%	0.7%	100.0%
	% of UWS Enrollment w/in Category	5.1%	2.1%	2.4%	0.5%	4.2%
	% of Institution Enrollment w/in Category	80.7%	70.6%	108.0%	76.8%	80.8%
Grants	# Grant Recipients	3,722	339	281	40	4,382
	% of UWS Grant Recips w/in Category	6.9%	3.9%	10.6%	2.5%	6.5%
	% of Institution Grant Recips	84.9%	7.7%	6.4%	0.9%	100.0%
	% of UWS Enrollment w/in Category	2.9%	1.3%	1.8%	0.4%	2.4%
	% of Institution Enrollment w/in Category	46.6%	41.5%	83.6%	58.0%	47.6%
Loans	# Borrowers	5,490	468	126	16	6,100
	% of UWS Borrowers w/in Category	7.2%	3.5%	1.7%	0.6%	6.1%
	% of Institution Borrowers	90.0%	7.7%	2.1%	0.3%	100.0%
	% of UWS Enrollment w/in Category	4.3%	1.7%	0.8%	0.2%	3.4%
	% of Institution Enrollment w/in Category	68.7%	57.3%	37.5%	23.2%	66.2%
	UW-Stout	Undergraduate		Graduate		Total
		Resident	Non-Resident	Resident	Non-Resident	
Totals	# Total Aided	4,384	1,757	395	129	6,665
	% of UWS Total Aided w/in Category	4.8%	10.7%	4.6%	3.4%	5.5%
	% of Institution Total Aided	65.8%	26.4%	5.9%	1.9%	100.0%
	% of UWS Enrollment w/in Category	3.5%	6.5%	2.6%	1.3%	3.7%
	% of Institution Enrollment w/in Category	79.2%	72.0%	57.1%	36.6%	73.9%
Grants	# Grant Recipients	2,307	653	64	40	3,064
	% of UWS Grant Recips w/in Category	4.3%	7.4%	2.4%	2.5%	4.6%
	% of Institution Grant Recips	75.3%	21.3%	2.1%	1.3%	100.0%
	% of UWS Enrollment w/in Category	1.8%	2.4%	0.4%	0.4%	1.7%
	% of Institution Enrollment w/in Category	41.7%	26.8%	9.2%	11.4%	34.0%
Loans	# Borrowers	3,967	1,630	372	111	6,080
	% of UWS Borrowers w/in Category	5.2%	12.2%	5.1%	4.1%	6.1%
	% of Institution Borrowers	65.2%	26.8%	6.1%	1.8%	100.0%
	% of UWS Enrollment w/in Category	3.1%	6.0%	2.4%	1.1%	3.4%
	% of Institution Enrollment w/in Category	71.7%	66.8%	53.8%	31.5%	67.4%

Appendix B
UW System Financial Aid Recipients by Institution, Level, and Residency for 2009-10

	UW-Superior	Undergraduate		Graduate		Total
		Resident	Non-Resident	Resident	Non-Resident	
Totals	# Total Aided	1,277	1,098	82	78	2,535
	% of UWS Total Aided w/in Category	1.4%	6.7%	1.0%	2.1%	2.1%
	% of Institution Total Aided	50.4%	43.3%	3.2%	3.1%	100.0%
	% of UWS Enrollment w/in Category	1.0%	4.1%	0.5%	0.8%	1.4%
	% of Institution Enrollment w/in Category	93.8%	90.4%	64.6%	85.7%	90.7%
Grants	# Grant Recipients	897	713	20	11	1,641
	% of UWS Grant Recips w/in Category	1.7%	8.1%	0.8%	0.7%	2.4%
	% of Institution Grant Recips	54.7%	43.4%	1.2%	0.7%	100.0%
	% of UWS Enrollment w/in Category	0.7%	2.6%	0.1%	0.1%	0.9%
	% of Institution Enrollment w/in Category	65.9%	58.7%	15.7%	12.1%	58.7%
Loans	# Borrowers	1,073	904	72	72	2,121
	% of UWS Borrowers w/in Category	1.4%	6.8%	1.0%	2.7%	2.1%
	% of Institution Borrowers	50.6%	42.6%	3.4%	3.4%	100.0%
	% of UWS Enrollment w/in Category	0.8%	3.3%	0.5%	0.7%	1.2%
	% of Institution Enrollment w/in Category	78.8%	74.4%	56.7%	79.1%	75.9%
	UW-Whitewater	Undergraduate		Graduate		Total
		Resident	Non-Resident	Resident	Non-Resident	
Totals	# Total Aided	6,799	591	711	105	8,206
	% of UWS Total Aided w/in Category	7.4%	3.6%	8.3%	2.8%	6.8%
	% of Institution Total Aided	82.9%	7.2%	8.7%	1.3%	100.0%
	% of UWS Enrollment w/in Category	5.4%	2.2%	4.7%	1.1%	4.6%
	% of Institution Enrollment w/in Category	76.9%	66.6%	58.2%	55.9%	73.7%
Grants	# Grant Recipients	3,512	268	236	39	4,055
	% of UWS Grant Recips w/in Category	6.5%	3.0%	8.9%	2.4%	6.0%
	% of Institution Grant Recips	86.6%	6.6%	5.8%	1.0%	100.0%
	% of UWS Enrollment w/in Category	2.8%	1.0%	1.5%	0.4%	2.3%
	% of Institution Enrollment w/in Category	39.7%	30.2%	19.3%	20.7%	36.4%
Loans	# Borrowers	5,950	517	545	78	7,090
	% of UWS Borrowers w/in Category	7.8%	3.9%	7.4%	2.9%	7.1%
	% of Institution Borrowers	83.9%	7.3%	7.7%	1.1%	100.0%
	% of UWS Enrollment w/in Category	4.7%	1.9%	3.6%	0.8%	4.0%
	% of Institution Enrollment w/in Category	67.3%	58.3%	44.6%	41.5%	63.7%
	UW Colleges	Undergraduate		Graduate		Total
		Resident	Non-Resident	Resident	Non-Resident	
Totals	# Total Aided	8,016	164	---	---	8,180
	% of UWS Total Aided w/in Category	8.7%	1.0%	---	---	6.8%
	% of Institution Total Aided	98.0%	2.0%	---	---	100.0%
	% of UWS Enrollment w/in Category	6.3%	0.6%	---	---	4.6%
	% of Institution Enrollment w/in Category	59.9%	41.4%	---	---	59.3%
Grants	# Grant Recipients	5,019	122	---	---	5,141
	% of UWS Grant Recips w/in Category	9.3%	1.4%	---	---	7.6%
	% of Institution Grant Recips	97.6%	2.4%	---	---	100.0%
	% of UWS Enrollment w/in Category	4.0%	0.5%	---	---	2.9%
	% of Institution Enrollment w/in Category	37.5%	30.8%	---	---	37.3%
Loans	# Borrowers	5,818	118	---	---	5,936
	% of UWS Borrowers w/in Category	7.6%	0.9%	---	---	5.9%
	% of Institution Borrowers	98.0%	2.0%	---	---	100.0%
	% of UWS Enrollment w/in Category	4.6%	0.4%	---	---	3.3%
	% of Institution Enrollment w/in Category	43.4%	29.8%	---	---	43.0%

Appendix C
UW System Financial Aid Dollars by Institution, Level, and Residency
2009-10

		Undergraduate		Graduate		Total
		Resident	Non-Resident	Resident	Non-Resident	
UW System	Total	\$858,592,601	\$168,771,725	\$130,738,267	\$56,915,922	\$1,215,018,515
	Grants	\$291,316,486	\$44,839,927	\$10,800,155	\$8,814,961	\$355,771,529
	Loans	\$556,900,301	\$121,641,597	\$119,267,910	\$47,687,578	\$845,497,386
UW-Madison	Total	\$136,525,446	\$59,588,423	\$63,707,499	\$35,616,678	\$295,438,046
	Grants	\$56,648,944	\$23,096,861	\$4,707,748	\$5,535,547	\$89,989,100
	Loans	\$77,027,776	\$35,598,414	\$58,528,954	\$29,760,605	\$200,915,749
UW-Milwaukee	Total	\$188,224,808	\$9,094,394	\$34,142,168	\$11,529,109	\$242,990,479
	Grants	\$126,990,130	\$7,086,013	\$30,522,710	\$9,071,298	\$173,670,151
	Loans	\$114,377,985	\$6,216,596	\$25,172,981	\$7,341,893	\$153,109,455
UW-Eau Claire	Total	\$51,037,059	\$12,532,813	\$2,005,864	\$539,283	\$66,115,019
	Grants	\$17,089,748	\$2,156,857	\$144,254	\$32,370	\$19,423,229
	Loans	\$33,032,575	\$10,100,698	\$1,852,141	\$503,370	\$45,488,784
UW-Green Bay	Total	\$39,871,216	\$2,901,378	\$798,377	\$38,488	\$43,609,459
	Grants	\$13,570,230	\$1,431,341	\$224,153	\$37,642	\$15,263,366
	Loans	\$25,984,876	\$1,460,692	\$574,224	\$846	\$28,020,638
UW-La Crosse	Total	\$45,657,505	\$8,263,657	\$5,348,887	\$2,136,542	\$61,406,591
	Grants	\$13,091,988	\$1,319,114	\$184,601	\$90,537	\$14,686,240
	Loans	\$32,194,093	\$6,884,683	\$5,164,286	\$2,046,005	\$46,289,067
UW-Oshkosh	Total	\$74,351,822	\$2,353,759	\$5,365,114	\$151,423	\$82,222,118
	Grants	\$20,631,028	\$333,460	\$426,943	\$3,190	\$21,394,621
	Loans	\$53,017,319	\$2,006,553	\$4,935,006	\$148,233	\$60,107,111
UW-Parkside	Total	\$33,337,551	\$3,632,932	\$628,931	\$81,611	\$37,681,025
	Grants	\$12,930,233	\$1,107,553	\$29,326	\$0	\$14,067,112
	Loans	\$20,294,928	\$2,512,335	\$599,605	\$81,611	\$23,488,479
UW-Platteville	Total	\$37,518,707	\$10,121,857	\$2,491,669	\$876,894	\$51,009,127
	Grants	\$12,168,507	\$1,756,136	\$223,478	\$725	\$14,148,846
	Loans	\$24,981,536	\$8,224,236	\$2,244,191	\$876,169	\$36,326,132
UW-River Falls	Total	\$23,047,667	\$20,216,261	\$1,853,867	\$1,719,269	\$46,837,064
	Grants	\$7,644,659	\$3,490,203	\$27,874	\$39,399	\$11,202,135
	Loans	\$15,177,038	\$16,544,800	\$1,823,838	\$1,674,949	\$35,220,625
UW-Stevens Point	Total	\$58,566,204	\$5,541,199	\$1,855,295	\$288,902	\$66,251,600
	Grants	\$19,615,097	\$1,300,228	\$301,880	\$103,418	\$21,320,623
	Loans	\$37,614,000	\$4,046,202	\$1,533,435	\$181,418	\$43,375,055
UW-Stout	Total	\$42,098,822	\$16,587,347	\$4,597,736	\$1,544,753	\$64,828,658
	Grants	\$11,961,997	\$2,255,199	\$252,936	\$162,249	\$14,632,381
	Loans	\$29,658,426	\$14,143,899	\$4,336,297	\$1,373,144	\$49,511,766
UW-Superior	Total	\$12,256,271	\$9,842,321	\$990,643	\$1,003,343	\$24,092,578
	Grants	\$4,984,476	\$3,266,353	\$74,433	\$60,126	\$8,385,388
	Loans	\$7,132,687	\$6,455,051	\$909,544	\$933,184	\$15,430,466
UW-Whitewater	Total	\$63,564,994	\$7,037,629	\$6,952,217	\$1,389,627	\$78,944,467
	Grants	\$17,862,993	\$1,007,004	\$691,373	\$352,364	\$19,913,734
	Loans	\$44,983,868	\$5,922,530	\$6,243,679	\$1,036,746	\$58,186,823
UW Colleges	Total	\$52,534,529	\$1,057,755	---	---	\$53,592,284
	Grants	\$23,186,575	\$390,438	---	---	\$23,577,013
	Loans	\$28,811,049	\$655,491	---	---	\$29,466,540

Notes: Total aid includes Work-Study awards.

Student with missing residency are included with residents.

Students with missing classification are included with undergraduates.

Appendix D
State Grants Received by UW System Students
2009-10

Program	\$ Million	Change from 08-09		Program Description
		\$ Million	%	
WHEG	\$55.37	\$0.35	0.6%	Administered by HEAB. For resident undergraduates enrolled in the UW System or WTCS. Students must be WI residents and have financial need.
Talent Incentive Program	\$2.40	-\$0.68	-22.0%	Administered by HEAB. For very needy students enrolled at least half time.
Lawton Undergraduate Minority Retention Grants	\$6.38	\$0.15	2.4%	Administered by UW System. Supplemental grants to minority undergraduate UW students who have both financial need and at least sophomore standing.
Academic Excellence Scholarship	\$5.30	-\$0.15	-2.8%	Administered jointly by HEAB and UW System. A merit-based scholarship program.
Department of Vocational Rehabilitation	\$2.05	-\$0.08	-3.8%	Administered by DVR. Provides supplemental funds to DVR customers to cover the cost of attendance.
Indian Student Assistant Grant	\$0.19	-\$0.03	-12.2%	Administered by HEAB. Provides need based grants to Wisconsin residents of American Indian heritage.
Advanced Opportunity Grant	\$6.29	\$0.23	3.8%	Administered by the UW System. Provides grants to multicultural and disadvantaged graduate and professional students.
National Guard Tuition Reimbursement	\$0.72	-\$0.21	-22.4%	Administered by the Department of Military Affairs. Available to Wisconsin National Guard members.
Wisconsin Educational Veterans Benefits	\$0.26	\$0.01	3.0%	Administered by the Department of Veterans Affairs. Programs are available to qualified veterans and family members.
UW System Study Abroad Grant	\$0.94	-\$0.10	-9.7%	Administered by the UW System. Provides funding to students in study abroad programs.
Other Wisconsin Grants	\$0.81	\$0.12	16.7%	Miscellaneous other Wisconsin grants.
Total	\$80.71	-\$0.39	-0.5%	

Appendix E
Pell Awards to UW System Undergraduates
2009-10

Year	Recipients	Avg. Grant	Total \$	% UG Enroll
UW-Madison	4,361	\$3,716	\$16.2	14%
UW-Milwaukee	7,436	\$3,681	\$27.4	31%
UW-Eau Claire	2,518	\$3,583	\$9.0	24%
UW-Green Bay	1,789	\$3,672	\$6.6	29%
UW-La Crosse	1,760	\$3,615	\$6.4	20%
UW-Oshkosh	3,005	\$3,632	\$10.9	26%
UW-Parkside	2,018	\$3,700	\$7.5	40%
UW-Platteville	2,045	\$3,593	\$7.3	31%
UW-River Falls	1,710	\$3,620	\$6.2	28%
UW-Stevens Point	2,701	\$3,781	\$10.2	31%
UW-Stout	2,133	\$3,560	\$7.6	27%
UW-Superior	1,172	\$3,633	\$4.3	48%
UW-Whitewater	2,502	\$3,656	\$9.1	26%
UW Colleges	4,298	\$3,296	\$14.2	32%
UW System	39,448	\$3,621	\$142.8	26%

TECHNICAL NOTES

This Informational Memorandum presents annual data on the amount of financial assistance provided to UW System students. Unless otherwise noted, figures are based on student financial aid data provided to UW System Administration by the UW institutions via the Financial Aid Central Data Request (CDR). The total number of aid recipient figures represent the total number of students (undergraduate, graduate, residents, non-residents) receiving any type of financial aid (with exceptions noted below). Students often receive more than one type of aid, so the cumulative total for students aided through grant, work-study, and loan programs will not equal the grand total. Other important caveats include:

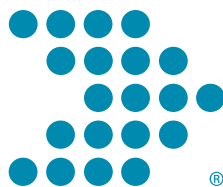
- Details in the text and tables may not add to 100% due to rounding.
- The data reported in this Informational Memorandum do not include graduate assistantships, fellowships, or waivers.
- Work-study includes only dollars provided through the Federal Work-Study program and ROTC. It does not capture other on-campus and off-campus employment.
- Residency for fee-purposes is determined by the Office of the Registrar at each institution. Non-residents are defined as students with residency status other than “resident” including Minnesota and Michigan reciprocity agreement students. Students without residency information have been included with Wisconsin residents.
- Graduate enrollment includes enrollment in professional programs.
- Financial need is defined by Federal Needs Analysis methodology.
- Dependency status is defined by Federal Needs Analysis methodology and specifications.
- Starting in 2002-03, the WHEG headcounts and disbursements do not include the Hearing and Visually Handicapped Student Grant.
- According to Federal regulations, graduate students may not be classified as financially dependent for purposes of financial aid. The small numbers of dependent graduate students in Table 12 are undergraduates enrolled in programs requiring the payment of graduate tuition and fees.

FUNDING EDUCATION BEYOND HIGH SCHOOL



The Guide to Federal Student Aid | 2010–11

U.S. Department of Education
Federal Student Aid





Federal Student Aid At-a-Glance

Whatever type of school you attend after high school—a public or private university, trade school or community college—you have to be thinking about how you are going to pay for it. If you are determined to achieve the success that education beyond high school can bring, the investment is worth it. But that doesn't mean managing these costs isn't a challenge.

Federal Student Aid can help. We assist more than 14 million students each year with grants, work-study and low-interest loans. That is what this guide is all about: steering you through the process of applying for and receiving aid, and repaying your student loans.

Now is the time to take action. You may qualify for more financial aid than you think. Investing a little time now could pay off in a brighter future.

This section is a quick reference to our federal student aid programs and how to apply for this aid. The rest of this publication provides more detail of what you need to know as you go through the federal student aid process.

Do you need help paying for college or for a career or vocational school?

Most student financial aid comes from the federal government programs you will read about in this publication. The U.S. Department of Education's office of Federal Student Aid administers these programs.

Applying for federal student aid is FREE

That is why our application is called the *Free Application for Federal Student Aid* (FAFSASM). If you need help completing the FAFSA, that help is free too. You don't have to pay anyone for help and you should beware of scams and services that will search for financial aid for you for a fee. The *College Scholarship Fraud Protection Act* protects you from this type of fraud. We tell you how to protect yourself from scams on page 24.

The information in this guide was compiled in the summer of 2009. For changes to the federal student aid programs since then, visit **www.FederalStudentAid.ed.gov**.

The graphic at the lower left and right of each page provides a key to the primary topic—based on the Prepare-Apply-Receive-Repay cycle—covered in the text on that page.



OVERVIEW

PREPARE

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What is federal student aid?

It's financial help for eligible students to pay for educational expenses at an eligible postsecondary school (e.g., college, vocational school, graduate school).

There are three categories of federal student aid: grants, work-study, and loans. Check with your school to find out which programs your school participates in.

Federal student aid covers expenses such as tuition and fees, room and board, books and supplies, and transportation. Aid also can help pay for a computer and for dependent care.

Who gets federal student aid?

Many factors determine eligibility for federal student aid programs. Our most basic eligibility requirements are that you must

- demonstrate financial need (except for certain loans; see pages 16–22),
- be a U.S. citizen or eligible noncitizen,*
- have a valid Social Security number,
- be working toward a degree or certificate in an eligible program,*
- register (if you haven't already) with the Selective Service, if you're a male between the ages of 18 and 25,
- maintain satisfactory academic progress* in postsecondary school, and
- show you're qualified to obtain a postsecondary education by
 - ▶ having a high school diploma or a General Educational Development (GED) certificate;*
 - ▶ passing an approved ability-to-benefit* test (if you don't have a high school diploma or GED, a school can administer a test to determine whether you can benefit from the education offered at that school);
 - ▶ completing six credit hours or equivalent course work toward a degree or certificate;
 - ▶ meeting other federally approved standards your state establishes; or
 - ▶ completing a high school education in a homeschool setting approved under state law.

How do I apply for federal student aid?

1. Complete the *Free Application for Federal Student Aid* (FAFSASM).

For *FAFSA on the Web*SM, go to www.fafsa.ed.gov. Using *FAFSA on the Web* is faster and easier than using a paper FAFSASM. If you need a paper FAFSA, you can get one from

- our Web site at www.FederalStudentAid.ed.gov/pubs (download a PDF),
- our ED Pubs Web site at www.edpubs.gov, or
- our Federal Student Aid Information Center at 1-800-4-FED-AID (1-800-433-3243).

You can apply beginning Jan. 1, 2010; you have until June 30, 2011, to submit your FAFSA. But you need to apply early!

Schools and states often use the FAFSA information to also award nonfederal aid. Their deadlines are usually early in the year. You can find state deadlines at *FAFSA on the Web* or on the paper FAFSA. Check with the schools you're interested in for their deadlines.

2. Review your *Student Aid Report* (SAR).

After you apply, you'll receive a *Student Aid Report*, or SAR. Your SAR contains the information reported on your FAFSA and usually includes your Expected Family Contribution (EFC). The EFC, a measure of your family's financial strength, is used to determine your eligibility for federal student aid. Review your SAR information and make any corrections or changes, if necessary. The school(s) you list on your FAFSA will get your SAR data electronically.

3. Contact the school(s) you might attend.

Make sure the financial aid office at each school you're interested in has all the information needed to determine your eligibility. If you're eligible, each school's financial aid office will send you an award letter showing the amount and types of aid (from all sources) the school will offer you. You can compare award letters from the schools to which you applied and see what aid you can receive from each school.



Federal Student Aid Summary Chart

Program	Type of Aid	Program Details	Annual Amount
Federal Pell Grant	Grant: does not have to be repaid	Available almost exclusively to undergraduates; student may receive up to two consecutive maximum awards in a year if attending school year-round	2010–11: \$609–\$5,550
Federal Supplemental Educational Opportunity Grant (FSEOG)	Grant: does not have to be repaid	For undergraduates with exceptional financial need; Federal Pell Grant recipients take priority; funds depend on availability at school	\$100–\$4,000
Academic Competitiveness Grant (ACG)	Grant: does not have to be repaid	For Pell-eligible students enrolled at least half-time in their first or second year of study or in a certificate program of at least one year at a degree-granting school	
		1st year: must have completed a rigorous secondary school program of study; graduated from high school after Jan. 1, 2006; not have been enrolled in an ACG-eligible program while at or below age of compulsory school attendance	1st year: Up to \$750
		2nd year: must have completed a rigorous secondary school program of study; graduated from high school after Jan. 1, 2005; have at least 3.0 cumulative GPA at the end of first year of postsecondary study	2nd year: Up to \$1,300
National Science and Mathematics Access to Retain Talent Grant (National SMART Grant)	Grant: does not have to be repaid	For Pell-eligible students enrolled at least half-time in third or fourth year (or fifth year of a five-year program) majoring in certain subject areas with at least a 3.0 cumulative GPA	Up to \$4,000 a year
Teacher Education Assistance for College and Higher Education (TEACH) Grant	Grant: does not have to be repaid unless you fail to carry out the service obligation, in which case you must repay TEACH Grant as a Direct Unsubsidized Loan with interest accrued from the date the grant was disbursed	For undergraduate, postbaccalaureate, and graduate students who are taking or will be taking course work necessary to become an elementary or secondary school teacher; recipient must sign an Agreement to Serve promising to teach full-time in a high-need field for four complete academic years (within eight years of completing academic program for which the TEACH Grant was received) at a low-income elementary or secondary school or educational service agency	Up to \$4,000 a year Undergraduate students: total amount may not exceed \$16,000 Graduate student: total amount may not exceed \$8,000
Iraq and Afghanistan Service Grant	Grant: does not have to be repaid	For students who are not Pell-eligible; whose parent or guardian died as a result of military service in Iraq or Afghanistan after Sept. 11, 2001; and who, at the time of the parent's or guardian's death, were less than 24 years old or were enrolled at least part-time at an institution of higher education	Maximum is same as Pell maximum payment adjusted for less-than-full-time study
Federal Work-Study	Money earned while attending school; does not have to be repaid	For undergraduate and graduate students; jobs can be on campus or off campus; students are paid at least federal minimum wage	No annual minimum or maximum amounts
Federal Perkins Loan	Loan: must be repaid	For undergraduate and graduate students; must be repaid to school that made the loan; interest 5%	Undergraduate students: up to \$5,500; graduate and professional students: up to \$8,000
Subsidized Direct* or FFEL** Stafford Loan	Loan: must be repaid	Subsidized: The U.S. Department of Education pays interest while the borrower is in school and during grace and deferment periods; student must be attending at least half-time and have financial need; fixed interest rate of 5.6% for loans made to undergraduates with the first disbursement date between July 1, 2009 and June 30, 2010; fixed rate of 6.8% is set for loans made to graduate students	\$3,500–\$8,500, depending on grade level
Unsubsidized Direct* or FFEL** Stafford Loan	Loan: must be repaid	Unsubsidized: The borrower is responsible for all interest; must be at least half-time; financial need not required; fixed interest rate of 6.8% for new borrowers	\$5,500–\$20,500 (less any subsidized amounts received for same period), depending on grade level and dependency status
Direct* or FFEL** PLUS Loan	Loan: must be repaid	For parents of dependent undergraduate students and for graduate and professional students; students must be enrolled at least half-time; financial need not required Borrower must not have adverse credit history PLUS Loans are unsubsidized, the borrower is responsible for all interest; fixed interest rate is 8.5% for FFEL PLUS Loans and 7.9% for Direct PLUS Loans	Maximum amount is cost of attendance minus any other financial aid student receives; no minimum amount

* This type of loan is from the William D. Ford Federal Direct Loan Program. These loans are also known as Direct Subsidized Loans, Direct Unsubsidized Loans, and Direct PLUS Loans.

** This type of loan is from the Federal Family Education Loan (FFELSM) Program. These loans are also known as Subsidized Federal Stafford Loans, Unsubsidized Federal Stafford Loans, and Federal PLUS Loans.

OVERVIEW

PREPARE

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Steps to Federal Student Aid

STEP

1

Get free information and help from your school counselor, the financial aid office at the college or career school you plan to attend, or the U.S. Department of Education at www.FederalStudentAid.ed.gov or **1-800-4-FED-AID (1-800-433-3243)**. Free help is available any time during the application process. You should never have to pay for help.

STEP

5

The U.S. Department of Education will send you your *Student Aid Report (SAR)*—the result of your FAFSA. Review your SAR and, if necessary, make changes or corrections and submit your SAR for reprocessing. Your complete, correct SAR will contain your Expected Family Contribution (EFC)—the number used to determine your federal student aid eligibility.

STEP

2

Get a Federal Student Aid PIN, a personal identification number. A PIN lets you apply, "sign" your online *Free Application for Federal Student Aid (FAFSASM)*, make corrections to your application information and more—so keep it safe. Go to www.pin.ed.gov to get one.

STEP

6

The college or trade school that you plan to attend might request additional information from you. Be sure to respond by any deadlines, or you might not receive federal student aid.

STEP

3

Collect the documents needed to apply, including income tax returns and W-2 forms (and other records of income). A full list of what you need is at www.fafsa.ed.gov. Tax return not completed at the time you apply? Estimate the tax information, apply, and correct information later.

STEP

7

All applicants: The college or trade school will tell you how much aid you can get at that school. Contact the financial aid office if you have any questions about the aid being offered.
First-time applicants: Review award letters from schools to compare amounts and types of aid being offered. Decide which school to attend based on a combination of (a) how well the school suits your needs and (b) its affordability after all aid is taken into account.

STEP

4

Complete the FAFSA between Jan. 1, 2010, and June 30, 2011 (no exceptions to either date!). BUT, apply as soon as possible after Jan. 1 to meet school and state aid deadlines (see note at bottom of page). Apply online at *FAFSA on the Web* (the faster and easier way) by going to www.fafsa.ed.gov. If you don't already have your PIN, you can get it when you complete the online FAFSA.

Note: You also might be able to get financial aid from your state government, your school, or a private scholarship. Research nonfederal aid early (ideally, start in the spring of your junior year of high school). You can find a free scholarship search at www.FederalStudentAid.ed.gov/scholarship. Be sure to meet all application deadlines!

Process Summary Chart

PREPARE

This guide gives you information about federal student aid programs, as well as other means of paying for your education after high school. Take what we say to heart ... and then take the next step.

APPLY

This step is where many deserving students falter, either because they assume they won't qualify or because the FAFSA looks difficult to complete. In the case of the FAFSA, the improved online version simplifies the application process considerably. It's a good idea to apply. You may be surprised by the amount of aid for which you qualify.

RECEIVE

We'll inform you and your selected schools about your Expected Family Contribution (EFC). Then the schools (or your student loan provider) will tell you how much—and what sorts of—aid you qualify for.

REPAY

If your aid is in the form of a loan or loans, this guide will fill you in on the repayment process.

A



What You Should Know Before You Apply

Our Federal Student Aid team is committed to making sure that all eligible students can benefit from financial assistance for education beyond high school. Congress authorizes billions of taxpayer dollars for this purpose every year.

The amount and type of federal aid we provide doesn't always depend solely on financial need. Once students apply for aid, many are surprised by the amount of aid they receive. So a good rule of thumb is: Don't assume you're not eligible. Take the time to complete and submit the Free Application for Federal Student Aid—the FAFSASM.

The U.S. Department of Education's office of Federal Student Aid offers a variety of student financial aid programs, which are described in this guide along with other sources you can turn to for financial help in completing your education.

Remember: the more you know about how to make your dreams real, the closer you are to fulfilling them. It's up to you to make it happen.

OVERVIEW

PREPARE

APPLY

RECEIVE

REPAY



Why Should I Invest in an Education? Can't I Get a Job Now?

Maybe you could, but statistics are against you, and the benefits of getting an education last a lifetime. Education beyond high school is a big investment of time, money and effort. You'll need to figure out how to pay for your education but all the effort you put into it will be worth it. Over a working life, a person with a bachelor's degree will earn almost twice as much as someone with just a high school diploma. Higher education equates to more job options and higher earnings (see statistics below). The more education you have, the more you earn.

Earnings and Unemployment Rate for People 25 Years and Over

Unemployment rate in 2008	Level of education completed	Median earnings in 2008
9.0%	Less than a high school diploma	\$27,872
5.7%	High school graduate, no college	\$39,780
5.1%	Some college, no degree	\$45,968
3.7%	Associate degree	\$47,320
2.8%	Bachelor's degree	\$68,172
2.4%	Master's degree	\$81,536
2.0%	Doctoral degree	\$99,892
1.7%	Professional degree	\$106,756

Source: Bureau of Labor Statistics, Current Population Survey, unpublished tables, 2009.

When we refer to "school" in this guide, we mean a two-year or four-year public or private college or university, or a career or trade school.

What questions should I ask when considering a college or career school?

- Does the school offer the courses and type of program I want?
- Do I meet the admissions requirements?
- Does the school offer a high-quality education?
- Does the school participate in federal student aid programs?
- Does the school offer services I need and activities I'm interested in?

Remember to carefully evaluate all relevant aspects of the schools you're considering. Just because a school participates in our federal student aid programs doesn't mean we've endorsed the quality of education the school offers. We don't approve a school's curricula, policies or administrative practices, except as they relate to how the school administers our federal student aid programs.

Where can I find this information?

- Read the school's catalog or introductory materials.
- Talk with students who currently attend or have attended the school you're considering to get their opinion of the school.
- Check the school's Web site.
- Visit the reference section of your local library.
- Talk to high school counselors and your state higher education agency. (See the section "State Higher Education Agencies" on page 53 for a list of agencies and their phone numbers.)
- Check to see if any complaints about the school have been filed with the local Better Business Bureau or the consumer protection division of the state attorney general's office. Search for Better Business Bureau offices at www.bbb.org.

You're paying for a high-quality education. Make sure you get it.



Take the next steps.

Before enrolling, make appointments to visit the colleges or career schools you're considering. Bring a list of questions to ask school representatives. Your education is a major investment, so find out as much information as you can before you enroll.

What additional information should I get from a school?

- Ask about the school's accreditation,* licensing and campus security.
- Find out the school's loan default* rate (the percentage of students who attended the school, took out federal student loans and failed to repay their loans on time). You might not be able to get aid from some of our programs at a school that has a high default* rate.
- Find out the school's job placement rates (the percentage of students who are placed in jobs relevant to their courses of study).

If the school advertises its job placement rates, it must also publish:

- the most recent employment statistics,
- graduation statistics, and
- any other information necessary to back up its claims.

This information must be made available at the time you apply for admission to the school. Make sure you get the information you need and check out all of your options as you prepare for education after high school. It's never too early to get started pursuing a career, so don't wait until the last minute to get started! Know what to expect from the schools you're considering.

Find out about financial aid at the school.

You have the right to receive the following information from the school:

- The location, hours and counseling procedures for the school's financial aid office.
- The financial aid assistance available, including federal, state, local, private and institutional financial aid programs.
- The procedures and deadlines for submitting applications for each available financial aid program.
- The school's criteria for selecting financial aid recipients.

- The school's process for determining your financial need.
- The school's process for determining the type and amount of assistance in your financial aid package.*
- The method and timing of financial aid payments made to you.
- The school's basis for determining whether you're making satisfactory academic progress,* and what happens if you're not. (Whether you continue to receive federal student aid depends, in part, on whether you make satisfactory academic progress.*)
- If you're offered a Federal Work-Study job, the nature of the job, the hours you must work, your job duties, the pay and the method and timing of payment to you.

Find out the school's refund policy.

If you enroll but never begin classes, you should get most of your money back. If you begin attending classes but leave before completing your course work, you might be able to get some of your money back.

Find out the school's return-of-aid policy.

If you receive federal student aid from any program mentioned in this publication (except for Federal Work-Study), and you withdraw from school, some of that money might have to be given back to the source by you or by your school. Even if you don't finish your course work, you'll have to repay the loan funds you received, minus any student loan funds your school has returned to your lender.

Find out the school's completion and transfer-out rates.

If many students withdraw from a school, it might indicate a problem with the school. A school is required to tell current and prospective students the percentage of students who complete the school's programs and the percentage of students who transfer out.

MyFSA

You can create a free, personalized student portfolio at our Web site—*Student Aid on the Web*—at www.FederalStudentAid.ed.gov/myfsa.



What can I do with a MyFSA account?

With your MyFSA account, you can:

Create a profile. The information you enter about yourself will be stored in your Profile. Make sure to keep your information as accurate and up-to-date as possible.

Search for colleges and scholarships. Any colleges you add to MyFSA will be stored and will be used in worksheets and tables you use in MyFSA. You may add or delete colleges from this list at anytime and search for potential scholarships that match your profile.

Apply for colleges. MyFSA will track where you stopped entering your information and will link you to all applications in progress. It will also provide the date and confirmation number of your submitted applications.

Store and access financial aid information. Any scholarships, loans, and cost of attendance information are saved in the Financial Aid Wizard. You can even calculate an estimated family contribution (EFC). This section of MyFSA also uses the schools from the Colleges section to calculate approximate costs. You also have the option of populating certain fields on *FAFSA on the Web*SM, *FAFSA4caster*SM, and electronic college admission applications.

Create an event calendar. Access your personal or college events on a daily, weekly, or monthly basis.

Research careers. Once you have completed the Self Assessment and Career Finder, any careers or majors that have met your specifications can be stored and accessed.

Have a planner output. Once you have completed the Student Planner, your results can be stored and accessed.

*FAFSA4caster*SM

What is *FAFSA4caster*SM?

FAFSA4caster is an online tool to help you and your family prepare financially for college **before** officially applying for federal student aid. It provides an estimate of federal student aid eligibility by instantly calculating an estimated Expected Family Contribution*—the indicator used to estimate your family's or a student's financial strength. *FAFSA4caster* determines what type of federal aid (grants, work-study and loans) the student is eligible to receive and provides an estimated award amount for each.

Who should use *FAFSA4caster*SM?

Any student considering applying for federal student aid can use *FAFSA4caster* before officially applying for aid using the *FAFSA*. Parents of younger students can use it to receive early estimates, create scenarios based on future earnings, and establish college savings strategies. Students considering going back to college can also use *FAFSA4caster* to get an idea of how much federal aid they may qualify to receive. The benefit of using *FAFSA4caster* goes beyond early estimates. Most of the data entered in *FAFSA4caster* will populate a portion of *FAFSA on the Web* when you officially apply for federal student aid.

NOTE: To apply for aid, you must use *FAFSA on the Web* at www.fafsa.ed.gov.

How do I get started?

You can access *FAFSA4caster* at www.fafsa4caster.ed.gov. Remember that the *Free Application for Federal Student Aid* (*FAFSA*) or *FAFSA on the Web*, the online version, is the application used to apply for federal student aid. But if you're not ready to file the *FAFSA*, you can submit a *FAFSA4caster* to receive an early estimate of your student aid eligibility.

What information does *FAFSA4caster*SM provide?

When you submit your *FAFSA4caster*, you will be able to see what college might cost depending on the type of school you plan to attend. If you plan to attend school full-time at a four-year public school, it shows the types of federal student aid that might help cover that and provides examples of aid awards showing in-state and out-of-state costs. Finally, *FAFSA4caster* shows any estimated financial need that remains after the estimated aid amounts and EFC* are taken into account.

Reducing the Cost of Education

There are other options you might consider to lower the cost of your education after high school. The following are a few ideas to think about.

Lower-cost schools

If you'll be working toward a bachelor's degree, you might consider starting at a two-year community college and then transferring to a four-year school. Community colleges are usually less expensive than four-year schools. (Some four-year schools that are partially funded by local or state taxes can be less expensive as well.) If attending a community college allows you to live at home, you



can save money on room and board. If you decide to start at a community college, make sure your community college courses will transfer to your four-year college and that they will count toward your bachelor's degree. Many community colleges have "articulation agreements" with four-year colleges under which the course work taken at the community college transfers into the four-year degree program. Be sure to ask about the types of articulation agreements the community college has, with whom, and for what programs of study. Discuss any concerns you have about transfer courses and credits with the college registrar at the college you're transferring to.

State Higher Education Agency

Contact your state Higher Education Agency (see page 53) about any aid program or scholarship sponsored by your state.

Work or volunteer opportunities

You can work part-time to pay part of your costs. Be sure your work and school schedules don't conflict and that you save enough time for studying.

Federal income tax credits

There are two tax credits available to help you offset the costs of higher education by reducing the amount of your income tax. They are the Hope Credit and the Lifetime Learning Credit, also referred to as education credits. See pages 23–24 for additional information.

Tax breaks

Certain borrowers can take a tax deduction for the interest actually paid on student loans. This benefit applies to all loans used to pay for postsecondary education school expenses. The maximum deduction is \$2,500 a year. See Internal Revenue Service (IRS) *Publication 970, Tax Benefits for Higher Education*, Chapter 4 at www.irs.gov.

Am I Eligible?

Basic requirements

To receive aid from the federal student aid programs discussed in this guide, you must meet certain criteria.

Financial need

Except for some loan programs, you must show that you have financial need, according to our requirements. See "Financial Need and Expected Family Contribution* (EFC)" on page 11.

Education requirements

- You must demonstrate by one of the following means that you are qualified to enroll in postsecondary education:
 - Have a high school diploma or a General Educational Development (GED) certificate.*
 - Pass an approved ability-to-benefit* (ATB) test. If you don't have a diploma or GED, you can take an approved ATB test to determine whether you can benefit from the education offered at that school.
 - If you don't have a high school diploma or its equivalent, you may become eligible to receive federal student aid if the institution you plan on attending determines you have the ability to benefit from post secondary education if you satisfactorily complete six credit hours or the equivalent coursework toward a degree or certificate offered by the institution. You will, however, be ineligible to receive aid while earning the six credit hours.
 - Meet other standards your state established and that we have approved.
 - Complete a high school education in a homeschool setting approved under state law.
- You must be enrolled or accepted for enrollment as a regular student* working toward a degree or certificate in an eligible program.*
- You must meet satisfactory academic progress* standards set by the postsecondary school you are or will be attending.
- You might be able to receive aid for distance education courses as long as they are part of a recognized certificate or degree program.

Intellectual disabilities

Students with intellectual disabilities can receive federal student aid under the Federal Pell Grant Program, FSEOG Program and Federal Work-Study Program. To be eligible, you must

- be enrolled or accepted for enrollment in a comprehensive transition and postsecondary program for students with intellectual disabilities at an institution of higher education;
- be maintaining satisfactory progress; and
- meet the other student eligibility criteria.



A comprehensive transition and postsecondary program for students with intellectual disabilities means a degree, certificate, or nondegree program that

- is offered by an institution of higher education;
- is designed to support students with intellectual disabilities who are seeking to continue academic, career and technical, and independent living instruction in order to prepare for gainful employment;
- includes an advising and curriculum structure; and
- requires students with intellectual disabilities to participate on not less than a half-time basis with nondisabled students in (1) regular enrollment in credit-bearing courses, (2) auditing or participating in courses for which the student does not receive regular academic credit, (3) enrollment in noncredit-bearing, nondegree courses, or (4) participation in internships or work-based training.

Children of military personnel killed in Iraq or Afghanistan after Sept. 11, 2001

If your parent or guardian died as a result of military service in Iraq or Afghanistan after Sept. 11, 2001, you may be eligible for aid if, at the time of the parent's or guardian's death, you were less than 24 years of age or enrolled at least part-time at an institution of higher education. Payments are adjusted if you are enrolled less than full-time.

- **Pell Grants:** If you are eligible to receive a Pell Grant, it will be determined that you have a zero EFC,* which can increase your eligibility for all federal student aid programs and maximize your Pell amount.
- **Iraq and Afghanistan Service Grants:** If you are not eligible to receive a Pell Grant you will be eligible to receive this non-need-based grant; however, your EFC will not be changed and therefore neither will your eligibility for any need-based federal student aid. The maximum amount of this grant is the same as the maximum Pell Grant award but may not exceed the cost of attendance.*

Legal and other requirements

- You must be a U.S. citizen or eligible noncitizen.*
- You must have a valid Social Security number (SSN). If you don't have an SSN, you can find out more about applying for one at www.ssa.gov or by calling 1-800-772-1213. TTY users can call 1-800-325-0778.

- When you apply for federal student aid you sign a statement that certifies that you will use federal student aid for educational purposes only. You also certify that you are not in default* on a federal student loan and do not owe a refund on a federal student grant (which could happen if you withdraw from school, for example).
- You must comply with Selective Service registration.* If you're a male aged 18 through 25 and you have not registered you can, at the same time you complete your FAFSA, give the Selective Service System permission to register you by means of the FAFSA. You can also register online at www.sss.gov or call 1-847-688-6888. TTY users can call 1-847-688-2567.

Drug Conviction?

The question asks if you have been convicted for the possession or sale of illegal drugs for an offense that occurred while you were receiving federal student aid (such as grants, loans, and work-study).

- Generally, if you have been convicted for the possession or sale of illegal drugs for an offense that occurred while you were receiving federal student aid, you will be ineligible for a period of time based on the type and number of convictions. If you answer "Yes" to this question, it is very important that you complete and submit the FAFSA to determine your eligibility. If you are submitting a paper FAFSA, you will be mailed a worksheet to assist you in determining whether your conviction affects your eligibility for federal student aid. If you are applying using FAFSA on the Web at www.fafsa.ed.gov, you will be provided the electronic version of the same worksheet during your online session. If you need assistance or have any questions on how to answer this question, call 1-800-4-FED-AID (1-800-433-3243) for help from the Federal Student Aid Information Center. Even if you're ineligible for federal student aid because of a drug conviction, you should still complete the FAFSA because most schools and states use FAFSA information to award nonfederal aid.

If you have lost federal student aid eligibility due to a drug conviction, you can regain eligibility if you pass two unannounced drug tests conducted by a drug rehabilitation program that complies with criteria established by the U.S. Department of Education.



- You have limited eligibility for federal student aid while you're incarcerated. Generally, you're only eligible for a Pell Grant and then only if you're NOT incarcerated in a federal or state penal institution. Check with the financial aid office at the school you plan on attending.

Match requirements

When you apply for federal student aid, we verify some of your information with certain federal agencies, including the Social Security Administration (for verification of Social Security numbers and U.S. citizenship status) and the Department of Homeland Security (to verify Alien Registration numbers). If the information doesn't match, the discrepancy must be resolved before you can receive federal student aid. We also check your information against our National Student Loan Data SystemSM (NSLDSSM),* to verify that you haven't defaulted on your federal student loan, haven't received an overpayment on a federal grant or a Federal Perkins Loan and haven't borrowed more than the total limit allowed. We also check your information against Veterans Affairs if you answer that you are a veteran. Most males between the ages of 18 and 25 must register with Selective Service in order to be eligible for federal student aid, so we check with this agency as well.

DID YOU KNOW ...

Federal Student Aid issued \$100 billion in aid in 2008. Fourteen million students in 6,200 postsecondary institutions received these loans.

Financial need and Expected Family Contribution (EFC)

Aid for most of our programs is awarded based on financial need (except for **unsubsidized Stafford Loans, PLUS Loans, and TEACH Grants**). See page 14 and pages 18–21. The EFC is a measure of your family's financial strength and resources that should be available to help pay for your education.

The EFC is calculated from the information you report on the FAFSA and according to a formula established by law. Your family's income (taxable and untaxed) and assets are considered in determining your EFC. Your family size and the number of family members who will be attending a college or career school are also considered. Your EFC will appear on the *Student Aid Report*^{*} (SAR) you receive after you file your FAFSA. To determine your financial need for federal student aid programs (except for an unsubsidized Stafford Loan), your school subtracts the Expected Family Contribution (EFC) from your cost of attendance.*

Determining Your Financial Need

We use your Expected Family Contribution* (EFC) to determine your financial need:

$$\begin{aligned} &\text{Cost of Attendance*} \\ &\text{– Expected Family Contribution (EFC)} \\ &= \text{Financial Need} \end{aligned}$$

The school uses federal grants and other financial aid to meet your financial need. Because the EFC formula must be applied to each family's financial information, we cannot tell you here whether you will be eligible for federal student aid or estimate how much aid you might receive. If you'd like to get an estimate of your financial aid award use *FAFSA4caster* at www.fafsa4caster.ed.gov. The information you submit with *FAFSA4caster* can be used to populate some of your *FAFSA on the Web* when you're ready to apply for aid (see page 8). But remember, to find out exactly what you will be eligible to receive, you must apply for financial aid. If you want to see how the EFC formula works, you can get detailed worksheets from our Web site at www.FederalStudentAid.ed.gov/pubs. Click on the year under "The EFC Formula" or you can call the Federal Student Aid Information Center at 1-800-4-FED-AID (1-800-433-3243).

After you receive your SAR,* you will also receive an award letter* from the school(s) listed on your FAFSA that offer you admission. Contact the financial aid office at the school(s) that sent you an award letter* if you have questions about your student financial aid award.

Unusual family circumstances

The EFC formula is basically the same for all applicants, but there is some flexibility. Your financial aid administrator (FAA)* can adjust the cost of attendance* or the information used to calculate your EFC to take into account your unusual circumstances. These circumstances could include your family's unusual medical expenses, tuition expenses or unemployment. The FAA must have good reasons to use professional judgment to make adjustments because of unusual circumstances. You will have to provide documentation to support any adjustments. For example, for the 2009–10 award year, financial aid administrators may use the letter from the state unemployment agency or other evidence that a student is receiving unemployment benefits to document the loss of income from work. The FAA's decision as to whether to make changes is final and can't be appealed to us.

*See "Important Terms," page 49.



The following are several additional examples of unusual circumstances that FAAs may consider as factors in making an adjustment in the expected family contribution* calculation or to the cost of attendance.* These examples are:

- nursing home expenses not covered by insurance;
- dependent care costs;
- a student or family member who is a dislocated worker; and
- a change in housing status that results in homelessness.

Types of Federal Student Aid

There are three types of federal student aid:

- Grants—financial aid that doesn't have to be repaid (unless, for example, you withdraw from school and owe a refund).
- Work-Study—allows you to earn money for your education.
- Loans—allow you to borrow money for your education. You must repay your loans, with interest.

Grants

There are six types of federal student aid grants:

- Federal Pell Grant
- Federal Supplemental Educational Opportunity Grant (FSEOG)
- Academic Competitiveness Grant (ACG)
- National Science and Mathematics Access to Retain Talent Grant (National SMART Grant)
- Teacher Education Assistance for College and Higher Education (TEACH) Grant (this grant will be converted to a Federal Direct Unsubsidized Loan that you must repay, with interest, if you don't fulfill your teaching service obligation)
- Iraq and Afghanistan Service Grants

Unlike loans, grants are not repaid unless, for example, you are awarded funds incorrectly or you withdraw from school prior to the planned end of term or, if you have a TEACH Grant, you do not meet the terms in your "Agreement to Serve" (additional details on that follow).

Almost all federal grants are awarded to students with financial need. The amount of your Federal Pell Grant depends on your cost of attendance, expected family contribution, enrollment status (full- or part-time) and whether you attend for a full academic year* or less. To receive an FSEOG, ACG, or National SMART Grant, you must first be eligible to receive a Federal Pell Grant. For FSEOG, priority is given to Pell Grant recipients; non-Pell recipients can receive awards if the institution has sufficient funds. The amount of your FSEOG, ACG and National SMART Grant depends on your financial need and other criteria (see Financial need and Expected Family Contribution [EFC] on page 11).

What is a Federal Pell Grant?

- Pell Grants are the foundation of federal student financial aid, to which aid from other federal and nonfederal sources might be added.
- Pell Grants are generally awarded only to undergraduate students—those who haven't earned a bachelor's or graduate degree.
- In some limited cases, however, you might receive a Pell Grant if you're enrolled in a postbaccalaureate teacher certificate program.
- Amounts can change yearly. The maximum award for the 2010–11 award year was \$5,550.
- You may receive up to two consecutive Pell Grant awards during a single award year to accelerate your program toward your degree. You must be enrolled at least half-time and in a program that leads to an associate or bachelor's degree or certificate. Summer 2009 may be paid from either 2009–10 or 2010–11 funds and summer 2010 may be paid from either 2010–11 or 2011–12 funds; contact your FAA* if you are receiving payment for the summer from the year in which you are less eligible.
- The maximum award grant is given for any Pell Grant-eligible student whose parent or guardian was a member of the U.S. Armed Forces and died as a result of service performed in Iraq or Afghanistan after Sept. 11, 2001. You must be under 24 years old or enrolled at least part-time in college at the time of your parent's or guardian's death. Effective July 1, 2010, if you are not eligible for a Pell Grant but your parent or guardian met the same post-Sept. 11, 2001 conditions above, you will be eligible to receive an Iraq and Afghanistan Service Grant equal to the amount of a maximum Pell Grant for the award year, except that the amount will not exceed the cost of attendance for that award year.



- If you're eligible for a Pell Grant you'll receive the full amount you qualify for—each school participating in the program receives enough funds each year from the U.S. Department of Education to pay the Pell Grant amounts for all its eligible students.
- The amount of other student aid you might qualify for does not affect the amount of your Pell Grant.
- You are not eligible to receive a Pell Grant if you are subject to an involuntary civil commitment upon completion of a period of incarceration for a forcible or nonforcible sexual offense.
- You can receive Pell Grants only up to 18 semesters, or the equivalent, if you received a Pell Grant for the first time on or after July 1, 2008.

What is a Federal Supplemental Educational Opportunity Grant (FSEOG)?

- FSEOGs are awarded to undergraduate students with exceptional financial need—those with the lowest Expected Family Contribution* (EFC) numbers.
- Federal Pell Grant recipients receive priority for FSEOG awards.
- FSEOG awards range from \$100 to \$4,000 a year. The amount of the award is determined by your school's financial aid office.
- Unlike Pell Grants, the amount of FSEOGs you receive depends not only on your financial need but also on the amount of other aid you get and the availability of funds at your school.
- Receiving other aid might reduce the amount of your FSEOG award.
- Not all schools participate in the FSEOG Program.
- The school's financial aid office decides how to award these funds.
- Each school participating in the FSEOG Program receives a certain amount of FSEOG funds each year from the U.S. Department of Education's office of Federal Student Aid. When all of those funds have been disbursed for that award year, no more FSEOG awards can be made for that year.
- Due to limited funds, it's important to apply early to be considered for these funds. Not everyone who qualifies for an FSEOG will get one.

What is an Academic Competitiveness Grant (ACG)?

The maximum award for a first-year eligible undergraduate student is \$750; the maximum award for a second-year eligible undergraduate student is \$1,300.

ACG Requirements

To receive an ACG, you must

- be Pell Grant-eligible during the same award year;
- be enrolled at least half-time;*
- be a first-year or second-year undergraduate student or a student in a certificate program of at least one year in a degree program at a two-year or four-year degree-granting institution;
- have completed a rigorous secondary school program of study; and
- if a first-year student, have completed secondary school after Jan. 1, 2006; not have been enrolled in an ACG-eligible program while at or below the age of compulsory school attendance except as part of a dual-enrollment program; or
- if a second-year student, have completed secondary school after Jan. 1, 2005, and have at least a 3.0 grade point average as of the end of the first year of undergraduate study.

For a list of recognized rigorous programs of secondary school study in your state visit www.ed.gov/admins/finaid/about/ac-smart/state-programs.html.

What is a National Science and Mathematics Access to Retain Talent Grant (National SMART Grant)?

This grant program is for full-time undergraduate students who are enrolled in the third or fourth year of undergraduate study. The award is for up to \$4,000 for each of the third and fourth years.

National SMART Grant Requirements

To receive a National SMART Grant, you must

- be Pell Grant-eligible during the same award year;
- be enrolled at least half-time;*
- be in the third or fourth year* of an undergraduate degree program (or fifth year of a five-year program);
- be pursuing a major with at least a 3.0 cumulative GPA in physical, life, or computer sciences, mathematics, technology, engineering or a critical foreign language, or a non-major in a single liberal arts program; and



- have at least a 3.0 GPA as of the end of the second award year and continue to maintain a 3.0 GPA that must be checked prior to the beginning of each payment period (e.g., semester).

For a list of National SMART Grant-eligible majors, visit ifap.ed.gov/dpcletters/GEN0909.html.

What is the difference between the ACG and the National SMART Grant?

- The **ACG** is for undergraduate students who are enrolled in the first or second year of an eligible program* in any field, who have completed a rigorous secondary school program of study, and who also have at least a 3.0 cumulative GPA at the end of the first year.
- The **National SMART Grant** is for undergraduate students who are enrolled in the third or fourth year of an eligible program* (or fifth year of a five-year program) and pursuing an eligible major with at least a 3.0 cumulative GPA. A student does not have to complete a rigorous secondary school program of study to be eligible for this grant.

There are additional steps you need to take to ensure you're considered for an ACG. Students who fill out *FAFSA on the Web* are asked questions particular to the ACG. If you're eligible for a Federal Pell Grant, and within the age range to have graduated from high school after Jan. 1, 2005, these questions appear as additional screens during the application process. The paper FAFSA does not contain these questions.

If you file the paper FAFSA, if you are eligible for a Federal Pell Grant, and within the age range to have graduated from high school after Jan. 1, 2005, in your *Student Aid Report** (SAR) you will be instructed to use *FAFSA on the Web* or call the Federal Student Aid Information Center (1-800-433-3243) to provide additional information. When you receive a SAR, remember to read the comments and respond appropriately. Because of this extra step in the paper process, we urge you apply for federal student aid using the online application, *FAFSA on the Web*.

What is a TEACH Grant?

The Teacher Education Assistance for College and Higher Education (TEACH) Grant Program provides you with up to \$4,000 a year in grant assistance if you are completing or plan to complete course work needed to begin a career in teaching.

As a condition for receiving a TEACH Grant, you must sign an Agreement to Serve* promising to teach full-time in a high-need field at a low-income school or educational service agency, or teach at certain low-income schools and within certain high-need fields for at least four complete academic years within eight years after completing (or ceasing enrollment in) the course of study for which you received the grant.

If you do not complete your teaching service obligation, the amounts of the TEACH Grants you received will be converted to a Direct Unsubsidized Loan that you must repay with interest charged from the date of each TEACH Grant disbursement.

For detailed information on this grant, visit www.teachgrant.ed.gov.

Iraq and Afghanistan Service Grant

If you are not eligible for a Pell Grant but your parent or guardian was a member of the U.S. Armed Forces and died as a result of service performed in Iraq or Afghanistan after Sept. 11, 2001, you are under 24 years old or enrolled in college at the time of your parent's or guardian's death, you will be eligible to receive an Iraq and Afghanistan Service Grant equal to the amount of a maximum Pell Grant for the award year, except that the amount will not exceed that cost of attendance for that award year. You must be at least a part-time student at the time of your parent's or guardian's death.

How much financial aid can I get?

Pell Grant

- Pell Grant award amounts can change yearly. The maximum award for the 2010–11 award year is \$5,550.
- How much grant aid you get depends on:
 - Your EFC.
 - Your cost of attendance.*
 - Whether you're a full-time or half-time student.
 - Whether you attend school for a full academic year.*
- You may receive up to two Pell Grants in an award year.
- You may not receive Pell Grant funds from more than one school at a time.



FSEOG

- You can get between \$100 and \$4,000 per academic year,* depending on:
 - When you apply.
 - Your financial need.
 - The funding level of the school you're attending.
 - The policies of your school's financial aid office.

ACG

- Up to \$750 for first-year students.
- Up to \$1,300 for second-year students.

National SMART Grant

- Up to \$4,000 for each of the third and fourth years (or fifth year of a five-year program).

TEACH Grant

- Up to \$4,000 per year.

How will I be paid?

Your school will:

- Credit your grant funds to your school account;
- Pay you directly (usually by check);
- Combine these methods; or
- With your permission, credit your bank account.

How often will I receive funds?

- Schools must pay you at least once per term (semester, trimester or quarter).
- Schools that don't use formally defined, traditional terms (e.g., semester, quarter, etc.) must pay you at least twice per academic year.*

Can I receive a grant if I'm enrolled less than half-time?

Yes, less than half-time students are eligible for Pell, FSEOG and TEACH Grants.

The information in this guide was compiled in the summer of 2009. For changes to the federal student aid programs since then, visit www.FederalStudentAid.ed.gov.

Work-Study

What is the Federal Work-Study (FWS) Program?

Under the FWS Program, you can work part-time to earn money for your education. The FWS Program:

- Provides part-time employment while you are enrolled in school.
- Helps pay your educational expenses.
- Is available to undergraduate and graduate students.
- Is available to full-time or part-time students.
- Is administered by schools participating in the FWS Program.

What kinds of jobs are there?

The FWS Program provides jobs for students demonstrating financial need and emphasizes employment in civic education and work related to your course of study, whenever possible.

Are Federal Work-Study jobs on campus or off campus?

Both. If you work on campus, you'll usually work for your school. If you work off campus, your employer will usually be a private nonprofit organization or a public agency, and the work performed must be in the public interest.

Some schools might have agreements with private for-profit employers for FWS jobs. These jobs must be relevant to your course of study (to the maximum extent possible). If you attend a proprietary school (i.e., a for-profit institution), there may be further restrictions on the types of jobs you can be assigned.

How much can I earn?

You'll earn at least the current federal minimum wage. However, the amount might be higher depending on the type of work you do and the skills required for the position.

Your total FWS award depends on:

- When you apply,
- Your level of financial need, and
- Your school's funding level. (The U.S. Department of Education's office of Federal Student Aid provides a certain amount of work-study funds to participating schools; when all funds have been awarded, no additional work-study awards can be made for that year.)



How will I be paid?

- Undergraduate student—by the hour.
- Graduate student—by the hour or by salary, depending on the work you do.
- Your school must pay you at least once a month.
- Your school must pay you directly unless you request that the school:
 - Send your payments directly to your bank account; or
 - Use the money to pay for your education-related institutional charges such as tuition, fees and room and board.

Can I work as many hours as I want?

No. The amount you earn can't exceed your total FWS award. When assigning work hours, your employer or FAA* will consider your class schedule and your academic progress.

Loans

Student loans, unlike grants and work-study, are borrowed money that must be repaid, with interest, just like car loans and home mortgages. You cannot have these loans canceled because you didn't like the education you received, didn't get a job in your field of study or you're having financial difficulty. Loans are legal obligations, so before you take out a student loan, think about the amount you'll have to repay over the years. *Your Federal Student Loans: Learn the Basics and Manage Your Debt* can help you learn more about federal student loan debt. You can find this publication at www.studentaid.ed.gov/repayingpub.

Types of loans:

- **Federal Perkins Loans are:**
 - Made through participating schools to undergraduate, graduate and professional degree students.
 - Offered to students who demonstrate financial need.
 - Made to students enrolled full-time or part-time.
 - Repaid to your school.

- **Stafford Loans (Direct or FFELSM)** are for undergraduate, graduate and professional degree students. You **must** be enrolled as at least a half-time* student to be eligible for a Stafford Loan. There are two types of Stafford Loans: subsidized and unsubsidized. You must have financial need to receive a subsidized Stafford Loan. The U.S. Department of Education will pay (subsidize) the interest that accrues on subsidized Stafford Loans during certain periods. Financial need is not a requirement to obtain an unsubsidized Stafford Loan. You are responsible for paying the interest that accrues on unsubsidized Stafford Loans.
- **PLUS Loans (Direct or FFEL)** are loans parents can obtain to help pay the cost of education for their dependent undergraduate children. In addition, graduate and professional degree students may obtain PLUS Loans to help pay for their own education.
- **Consolidation Loans (Direct or FFEL)** allow student or parent borrowers to combine multiple federal education loans into one loan with one monthly payment. (See page 44 for more information on these loans.)

These loans are made through one of two U.S. Department of Education programs:

William D. Ford Federal Direct Loan (Direct Loan) Program

Loans made through this program are referred to as Direct Loans. Eligible students and parents borrow directly from the U.S. Department of Education at participating schools. Direct Loans include subsidized and unsubsidized Direct Stafford Loans (also known as Direct Subsidized Loans and Direct Unsubsidized Loans), Direct PLUS Loans, and Direct Consolidation Loans. *You repay these loans directly to us.*

Federal Family Education Loan (FFELSM) Program

Loans made through this program are referred to as FFEL Loans. Private lenders provide funds that are guaranteed by the federal government. FFEL Loans include subsidized and unsubsidized FFEL Stafford Loans, FFEL PLUS Loans and FFEL Consolidation Loans. *You repay these loans to the bank or private lender that made you the loan.*

Whether you (or your parents) receive a Stafford or PLUS Loan depends on which program the school you attend participates in. Most schools participate in one or the other, although some schools participate in both.



At the time this publication went to print, Congress was considering a proposal that would eliminate the FFEL Program, beginning with the 2010–11 school year, and would have Stafford, PLUS and consolidation loans funded from the Direct Loan Program. For up-to-date information, please visit www.FederalStudentAid.ed.gov.

What's the interest rate on these loans?

Subsidized Stafford Loans made to undergraduate students with a first disbursement date between July 1, 2009, and June 30, 2010, have a fixed interest rate of 5.6% (see the chart below for information on future interest rate reductions).

Subsidized Stafford Loans made to graduate students have a fixed interest rate of 6.8%.

All unsubsidized Stafford Loans (for both undergraduate and graduate students) have a fixed interest rate of 6.8%.

FFEL PLUS Loans have a fixed interest rate of 8.5%.

Direct PLUS Loans have a fixed interest rate of 7.9%.

The Federal Perkins Loans rate is 5%.

The interest rate on subsidized Stafford Loans made to undergraduate students, with a first disbursement date on or after July 1, 2008, will be reduced in future years, as shown in the following chart:

Interest Rate Reductions for Subsidized Stafford Loans Made to Undergraduates

First disbursement of a loan:		Interest rate on the unpaid balance
Made on or after	And made before	
July 1, 2010	July 1, 2011	4.5%
July 1, 2011	July 1, 2012	3.4%

These interest rate reductions do not affect the interest rates of any prior Subsidized Stafford Loans made to undergraduate borrowers; the interest rates on those prior loans remain unchanged. The reduced interest rates **apply only to subsidized Stafford Loans made to undergraduate students**. Subsidized Loans made to graduate students and unsubsidized Stafford Loans made to all students (undergraduate or graduate) have a fixed interest rate of 6.8%.

No interest accrual for borrowers in the military

No interest accrues (for a period of no more than 60 months) on Direct Loans* disbursed on or after Oct. 1, 2008, for eligible military borrowers while serving on active duty or performing qualifying National Guard duty during a war or other military operation or other emergency, and serving in an area of hostilities qualifying for special pay. You may also qualify for deferment of repayment on your loans while serving on active duty in the military (see page 43).

The information in this guide was compiled in the summer of 2009. For changes to the federal student aid programs since then, visit www.FederalStudentAid.ed.gov.

What are the differences in these loan programs?

The chart on page 18 shows the basic loan terms and conditions of the different types of loans. The financial aid office at your school can explain which programs are available to you.

How do I apply for a Perkins or Stafford Loan?

As with all federal student aid, you apply for a Perkins or Stafford Loan by completing the FAFSA. A separate loan application is not required. However, you'll need to sign a promissory note,* which is a binding legal contract that says you agree to repay your loan according to the terms of the promissory note.* Read this note carefully before signing it and save a copy for your records.

DID YOU KNOW ...

The value of a postsecondary education as a credential for future employment and earnings is expected to rise. About 90 percent of the fastest-growing jobs in the new knowledge-driven market economy require some postsecondary education.



Student Loan Comparison Chart

Loan Program	Eligibility	Award Amounts	Interest Rates	Lender/Length of Repayment
Federal Perkins Loans	Undergraduate and graduate students	Undergraduate—up to \$5,500 a year (maximum of \$27,500 as an undergraduate) Graduate—up to \$8,000 a year (maximum of \$60,000, including undergraduate loans) Amount actually received depends on financial need, amount of other aid, availability of funds at school	5%	Lender is your school Repay your school or its agent Up to 10 years to repay, depending on amount owed
FFEL Stafford Loans (subsidized and unsubsidized)	Undergraduate and graduate students; must be enrolled at least half-time*	Depends on grade level in school and dependency status (see chart on page 20) Financial need is required for subsidized loans Financial need is not necessary for unsubsidized loans	Fixed rate of 5.6% for subsidized loans with a first disbursement date between July 1, 2009 and June 30, 2010 (see page 17 for more information) Fixed rate of 6.8% for subsidized loans made to graduate students and for all unsubsidized loans The federal government pays interest on subsidized loans during school and certain other periods The borrower pays all interest on unsubsidized loans	Lender is a bank, credit union or other participating private lender Repay the loan holder or its agent Between 10 and 25 years to repay, depending on amount owed and type of repayment plan selected
Direct Stafford Loans (subsidized and unsubsidized)	Same as above	Same as above	Same as above	Lender is the U.S. Department of Education; repay Department Between 10 and 25 years to repay, depending on amount owed and type of repayment plan selected
FFEL PLUS Loans	Parents of dependent undergraduate students enrolled at least half-time* (see dependency status) Graduate or professional degree students enrolled at least half-time Borrower must not have negative credit history	Student's Cost of Attendance* – Other aid student receives = Maximum loan amount	Fixed rate at 8.5%; borrower pays all interest	Same as for FFEL Stafford Loans above
Direct PLUS Loans	Same as above	Same as above	Fixed rate at 7.9%; borrower pays all interest	Same as for Direct Stafford Loans above

How much can I borrow?

Perkins Loans

The Student Loan Comparison Chart on this page shows the maximum Perkins Loan funds you can receive, depending on whether you're an undergraduate, graduate or professional degree student. However, the amount you can borrow might be less than the maximum available.

- Each school participating in the Federal Perkins Loan program receives a certain amount of Perkins funds each year from the U.S. Department of Education's office of Federal Student Aid.

- Due to limited funds, it's important to apply early to be considered for these funds. Not everyone who qualifies for a Perkins Loan might get one.
- Submit your FAFSA early so you can be considered for these funds.

At the time this publication went to print, Congress was considering a proposal that would eliminate the FFEL Program, beginning with the 2010–11 school year, and would have Stafford, PLUS and consolidation loans funded from the Direct Loan Program. For up-to-date information, please visit www.FederalStudentAid.ed.gov.



Stafford Loans (Direct and FFEL)

The Maximum Annual Loan Limits Chart—Subsidized and Unsubsidized Direct and FFEL Stafford Loans on page 20 shows that the maximum amount you can borrow depends on:

- What year you are in school; and
- Whether you are a dependent or independent student.

Subsidized Stafford Loan

- Available to students who demonstrate financial need.
- Eligible students can apply for a subsidized Stafford Loan to cover some or all of their need.
- For a subsidized loan, the U.S. Department of Education pays the interest:
 - ▶ While you're in school at least half-time.*
 - ▶ For the first six months after you leave school (referred to as a "grace period").
 - ▶ During a period of deferment (a postponement of loan payments).

The amount of your subsidized loan cannot exceed your financial need.

Unsubsidized Stafford Loan

- Does not require students to demonstrate financial need.
- You are responsible for paying interest on subsidized and unsubsidized loans during all periods.

To determine the amount of your unsubsidized loan, your school will use this equation:

Cost of Attendance*

- Federal Pell Grant (if eligible)
- Subsidized Stafford Loan amount (if eligible)
- Any other financial aid you receive

= Amount of unsubsidized loan you receive (up to the annual maximum loan amount)

Depending on your financial need, you may receive both subsidized and unsubsidized loans for the same enrollment period, but the total amount of these loans may not exceed the annual loan limit.

For an *unsubsidized* loan:

- You're responsible for paying the interest that accrues on the loan from the time the loan is disbursed until it's paid in full.

- You can pay the interest while you're in school or during a period of deferment or forbearance.
- Or, you can allow the interest to accrue (accumulate) and have the interest added to the principal* amount of your loan. This is called "capitalization." If you choose not to pay the interest as it accrues and allow it to be capitalized,* this will increase the total amount that you have to repay because you will be charged interest on a higher principal* amount.

Other than interest, are there any fees or charges required to get these loans?

- Federal Perkins Loans—**No**.
- Direct Loans—**Yes**, for all Direct Subsidized Loans and Direct Unsubsidized Loans first disbursed on or after July 1, 2009 and before July 1, 2010, the loan origination fee is 1.5 percent. The Direct PLUS Loan origination fee is 4 percent for loans made to both parent and graduate and professional degree student borrowers.
- FFEL Loans—**Yes**, you may be charged fees comparable to the fees charged for Direct Loans. Contact your lender for more information.

How will I be paid?

Perkins Loans:

- Your school will either pay you directly (usually by check) or credit your account.
- Generally, you'll receive the loan in at least two payments during the academic year.*

Stafford Loans:

- In general, your school will disburse your loan in at least two installments—there might be certain exceptions.
- No installment will be greater than half the amount of your loan.
- If you're a first-year undergraduate student and a first-time borrower, your first disbursement can't be made until 30 days after the first day of your enrollment period.
- If you're a first-time borrower you must complete entrance counseling before you receive your first loan disbursement.

Student loan money must first be used to pay for your tuition, fees and room and board. If loan funds remain, you'll receive them by check or in cash, unless you give the school written permission to hold the funds until later in the enrollment period.



Maximum Annual Loan Limits Chart (Aggregate Loan Limits)— Subsidized and Unsubsidized Direct and FFELSM Stafford Loans

Year	Dependent Undergraduate Student (except students whose parents are unable to obtain PLUS Loans)	Independent Undergraduate Student (and dependent students whose parents are unable to obtain PLUS Loans)	Graduate and Professional Degree Student
First Year	\$5,500—No more than \$3,500 of this amount may be in subsidized loans.	\$9,500—No more than \$3,500 of this amount may be in subsidized loans.	\$20,500—No more than \$8,500 of this amount may be in subsidized loans.
Second Year	\$6,500—No more than \$4,500 of this amount may be in subsidized loans.	\$10,500—No more than \$4,500 of this amount may be in subsidized loans.	
Third and Beyond (each year)	\$7,500—No more than \$5,500 of this amount may be in subsidized loans.	\$12,500—No more than \$5,500 of this amount may be in subsidized loans.	
Maximum Total Debt From Stafford Loans When You Graduate (aggregate loan limits)	\$31,000—No more than \$23,000 of this amount may be in subsidized loans.	\$57,500—No more than \$23,000 of this amount may be in subsidized loans.	\$138,500—No more than \$65,500 of this amount may be in subsidized loans. The graduate debt limit includes Stafford Loans received for undergraduate study.

NOTE: The amounts shown in the chart above are the maximum amounts that you may borrow for an academic year (annual loan limits) and in total (aggregate loan limits). * These are combined annual and aggregate loan limits for Stafford Loans received under both the FFEL and Direct Loan programs. You might receive less than the maximum if you receive other financial aid that's used to cover a portion of your cost of attendance. * The maximum amount you may borrow will also be less in certain situations, such as if you are an undergraduate student enrolled in a program of study that is shorter than an academic year. * Graduate and professional students enrolled in certain health profession programs may receive additional unsubsidized Stafford Loan amounts beyond those shown above.

Your school can refuse to certify your loan or can certify a loan for an amount less than you would otherwise be eligible for if the school documents the reason for its action and explains the reason to you in writing. The school's decision is final and cannot be appealed to the U.S. Department of Education.

The information in this guide was compiled in the summer of 2009. For changes to the federal student aid programs since then, visit www.FederalStudentAid.ed.gov.

Can I cancel a loan?

Yes. Before your loan money is disbursed, you may cancel all or part of your loan at any time by notifying your school. After your loan is disbursed, you may cancel all or part of the loan within certain timeframes. Your promissory note* and additional information you receive from your school will explain the procedures and timeframes for canceling your loan.

PLUS Loans

Parents of dependent students and students pursuing a graduate or professional degree can borrow from the PLUS Loan program. The terms and conditions applicable to parent PLUS Loans (made to parents of dependent students) also apply to PLUS Loans made to graduate and professional degree students. These terms and conditions include:

- a requirement that the applicant not have an adverse credit history; and
- a fixed interest rate of 8.5% for FFEL PLUS Loans and 7.9% for Direct PLUS Loans.

Unlike parent PLUS applicants, graduate and professional degree student PLUS applicants must file a FAFSA. In addition, graduate and professional degree students must have their annual loan maximum eligibility under the Stafford Loan program determined by the school before they apply for a PLUS Loan.

How do parents and graduate and professional degree students apply for a PLUS Loan?

Direct PLUS Loan:

- The school must participate in the Direct Loan Program.
- Complete a Direct PLUS Loan Application and Master Promissory Note. Contact the financial aid office at the school for more information.

FFEL PLUS Loan:

- The school must participate in the FFEL Loan Program.
- Complete an FFEL PLUS Loan Application and Master Promissory Note. Contact the financial aid office at the school for more information.

Although not a requirement if the student will not be receiving



any other federal student aid, parents are encouraged to have their dependent children submit a FAFSA so their children can receive the maximum student financial aid they're eligible for. Graduate and professional degree students applying for a PLUS Loan are required to submit a FAFSA.

What are the eligibility requirements for PLUS Loans?

PLUS applicants must meet the general eligibility requirements for federal student aid. If a parent is borrowing on behalf of a dependent undergraduate student, the student must also meet these general eligibility requirements. For example, the PLUS applicant and the student must:

- be a United States citizen or eligible noncitizen*;
- not be in default* on a federal student loan; and
- not owe a refund on a federal education grant.

Are there any other requirements?

A PLUS Loan applicant must not have an adverse credit history. (A credit check will be conducted.) If a PLUS Loan applicant does have an adverse credit history, he or she may still receive a loan by documenting existing extenuating circumstances or by obtaining an endorser who does not have an adverse credit history. An endorser is someone who agrees to repay the loan if the borrower fails to do so.

Do we need to find a lender?

Direct PLUS Loan—No. The U.S. Department of Education is the lender.

FFEL PLUS Program—Yes. You will need to find a participating lender. Your school or the guaranty agency* that serves your state can help you locate a participating lender. For the address and telephone number of your state guaranty agency, contact the Federal Student Aid Information Center at **1-800-4-FED-AID (1-800-433-3243)**.

How much can a parent or graduate and professional degree student borrow?

The maximum PLUS Loan amount that a parent or graduate and professional degree student can borrow is the student's cost of attendance* minus any other financial aid the student receives.

Who receives the loan money—the parent or the student?

- The school will first apply the PLUS Loan funds to the student's school account to pay for tuition, fees, room and board and other school charges.
- If any loan funds remain, they will be sent to the parent borrower, unless the parent authorizes the school to hold the funds or release them to the student.
- Any remaining loan funds must be used for your education expenses.

Can a borrower cancel a PLUS Loan?

Yes. A borrower can cancel a PLUS Loan the same way that a borrower would cancel a Perkins or Stafford Loan.

Other than interest, are there any fees or charges to get a PLUS Loan?

Yes. There is a fee of up to 4 percent of the loan amount.

Is there a grace period?

Repayment of a PLUS loan begins on the date of the last disbursement. There is no grace period. However, graduate and professional student PLUS borrowers may defer repayment while they are enrolled in school at least half-time and, for PLUS loans first disbursed on or after July 1, 2008, for an additional six months after they cease to be enrolled at least half-time. Parent PLUS loan borrowers may request a deferment of repayment on PLUS loans first disbursed on or after July 1, 2008, while the student on whose behalf the loan was obtained is enrolled at least half-time and for an additional six months after the student ceases to be enrolled at least half-time. Interest that accrues on a PLUS loan during a period of deferment may be paid by the borrower or capitalized* when the deferment period ends.

The information in this guide was compiled in the summer of 2009. For changes to the federal student aid programs since then, visit www.FederalStudentAid.ed.gov.



Stafford and PLUS Loan Summary

- Undergraduate and graduate or professional degree students may receive Stafford Loans. Graduate and professional degree students and parents of dependent undergraduate students may receive PLUS Loans.
- You must be enrolled at least half-time* at an eligible school in a program leading to a degree or certificate.
- Student loans are borrowed money that must be repaid, with interest, just like car loans and home mortgages.
- Student loans cannot be canceled because you didn't get—or didn't like—the education you paid for with the loans, didn't get a job in your field of study or you're having financial difficulty.
- Loans are legal obligations, so think about the amount you'll have to repay before you take out a loan.
- The maximum Stafford Loan amount you can borrow each academic year* depends on your academic level in school and whether you are a dependent or independent student.
- Students who demonstrate financial need are eligible for a subsidized Stafford Loan to cover some or all of that need.
- For students who are eligible for a subsidized Stafford Loan, the U.S. Department of Education pays the interest while you're in school at least half-time, for the first six months after you leave school (your grace period) and during a deferment (a postponement of loan payments).
- Unsubsidized Stafford Loans do not require a student to have financial need. The borrower is responsible for paying all interest on unsubsidized Stafford Loans.
- If you have an FFEL loan and need to find a participating lender, your school might have a list. This list is only a starting place when looking for financing. Check the terms and fine print carefully.

More Federal Student Aid Information

Most student financial aid comes from the U.S. Department of Education grant, work-study and loan programs you read about here. Most aid is based on need; your high school grades and class ranking are not considered in this process. If you still have questions about federal student aid programs after reviewing this publication, you can:

- Go online to our Web site at www.FederalStudentAid.ed.gov.

This site provides comprehensive, **FREE** information on the student aid process, and it links to other student aid-related sites.

- Call our Federal Student Aid Information Center at 1-800-4-FED-AID (1-800-433-3243).

Other Financial Aid Sources

Financial aid office

Talk to the financial aid staff at each school you're interested in to find out about the school's financial aid programs and the total cost of attending that school. Staff at the financial aid office also help students apply for, receive and—in many cases—learn how to repay their student aid.

When should I first contact the financial aid office?

While researching the school before applying, be sure to find out what types of financial aid are available at that school. Your research should include a visit to the financial aid office's Web site. Later, as you prepare to apply for aid at that school, the Financial Aid Administrator* (FAA), or the staff at the office, will be able to answer your questions about the process.

What questions can my FAA answer for me?

- What financial aid can I apply for through my school and through my state education agency?
- What are the financial aid application deadlines at my school?
- How do I fill out the *Free Application for Federal Student Aid* (FAFSA)?
- Do I have to include my parents' information on the FAFSA?
- I went to a Web site that I thought was the FAFSA site, but it asked for my credit card number. Do I need to pay to fill out the FAFSA?
- What am I supposed to do with my *Student Aid Report*?*
- What is verification, what documents must I provide and when, and why was I chosen in the first place?
- When will I find out how much aid I've been awarded?



- What are all these different kinds of aid my school has awarded me?
- What if I'm not awarded enough money to pay for all my school-related expenses?

If you have any other questions or concerns about the financial aid process, contact the financial aid office at your school. Your FAA is there to help you.

State Higher Education Agency

Your state agency can give you important information about state aid—including aid from the Leveraging Educational Assistance Partnership (LEAP) Program, funded jointly by states and the U.S. Department of Education. See the “State Higher Education Agencies” section in this guide for your state contact information.

AmeriCorps

This program provides full-time educational awards in return for community service work. You can work before, during or after your postsecondary education, and you can use the funds either to pay current educational expenses or to repay federal student loans. For more information, contact:

Corporation for National and Community Service

1201 New York Avenue, NW
Washington, DC 20525
1-800-942-2677 (TTY Number: **1-800-833-3722**)
www.americorps.org

Robert C. Byrd Honors Scholarship Program (Byrd Program)

To receive this scholarship, you must demonstrate outstanding academic achievement and show promise of continued academic excellence. For more information, call toll-free **1-800-4-FED-AID (1-800-433-3243)** or visit www.ed.gov/programs/idadesbyrd/index.html.

Public libraries and the Internet

These are excellent sources of information on state and private sources of financial aid. When using either source, search using keywords like “financial aid,” “student aid,” “scholarships,” etc. Beware of scams and services that will search for financial aid money for you for a fee. You should not have to pay for this information.

Businesses and labor organizations

Many companies, businesses and labor organizations have programs to help employees or members and their families pay the cost of postsecondary education. Ask if they have a scholarship program and about the application process.

Organizations, foundations, etc.

Foundations, religious organizations, fraternities or sororities and town or city clubs usually offer financial aid. Include in your search community organizations and civic groups such as the American Legion, YMCA, 4-H Club, Elks, Kiwanis, Jaycees and the Girl or Boy Scouts. Organizations connected with your field of interest can also be helpful. For example, the American Medical Association and the American Bar Association are good sources for students seeking to specialize in medicine and law.

U.S. Armed Forces

The Armed Forces offer financial aid for service members and their families. For more information on recruitment incentives, contact your local military recruiter or visit the U.S. Department of Defense at www.todaymilitary.com, click on “Benefits” and then go to “Tuition Support.”

U.S. Department of Veterans Affairs

If you (or your spouse) are a veteran or you're the dependent of a veteran, educational benefits may be available. Under the *Post-9/11 Veterans Education Assistance Act of 2008*, many post-9/11 veterans and service members will be eligible for a new comprehensive education benefits package that goes beyond helping to pay for tuition. Many veterans who served after Sept. 11, 2001, will get full tuition and fees, a monthly housing stipend, and a \$1,000 a year stipend for books and supplies. The new bill also gives Reserve and Guard members who have been activated for more than 90 days since 9/11 access to the same GI Bill benefits. Information is available at www.gibill.va.gov or call **1-888-GI-BILL-1 (1-888-442-4551)**.

Internal Revenue Service (IRS)

The IRS offers financial aid to certain taxpayers to help pay higher education expenses. The IRS offers two federal income tax credits (tax credits offer dollar-for-dollar reductions in your final tax liability) for higher education expenses.

- The Hope Tax Credit (American Opportunity Tax Credit), worth up to \$2,500 per student is available for the first four years of postsecondary education.



- The Lifetime Learning Tax Credit, worth up to \$2,000 for virtually any postsecondary education and training. This applies to undergraduate, graduate and professional degree schools and even for less than half-time* study.

For updates on these tax credits, go to <http://www.irs.gov>, click on "Individuals," then on "Students" and then "Higher Education."

For more information on tax credits, and other tax benefits for postsecondary students, go to www.irs.gov/pub/irs-pdf/p970.pdf. IRS Publication 970, *Tax Benefits for Higher Education*, which explains these credits and other tax benefits, is available online, or call 1-800-829-1040. TTY callers should call 1-800-829-4059.

College.gov

This Web site motivates students with inspirational stories and information about planning, preparing and paying for college. With students' input and participation, College.gov was created for high school students and their families as a single online resource with the help and tools students need to get started. College.gov shows that postsecondary education is an achievable goal for anyone, regardless of income, ethnicity, age or gender.

Students.gov

This site provides access to government resources to help you plan and pay for your education. Besides finding financial aid information, you can use this Web site to file your taxes, search for a job and take advantage of other government services.

REMEMBER, you can get **FREE** help in finding financial aid from the sources we've mentioned in this section. You can also check with the colleges or career schools you'll be applying to. You don't have to pay for someone to help you.

It's a Jungle Out There ... Be Careful

Scholarship scams

What about scholarship search services?

Many private scholarship search services provide sources of financial assistance. We do not evaluate those services. If you decide to use a search service, check its reputation by contacting the Better Business Bureau or your state attorney general's office. You can search for scholarships for free on our Web site at www.FederalStudentAid.ed.gov.

How can I tell if these search services are scams?

Be careful when searching for information on student financial aid. Estimates show that families lose millions of dollars every year to scholarship fraud. The *College Scholarship Fraud Prevention Act* protects against fraud in student financial assistance. The Federal Trade Commission (FTC) cautions students to look for these telltale lines:

- "The scholarship is guaranteed or your money back."
- "You can't get this information anywhere else."
- "I just need your credit card or bank account number to hold this scholarship."
- "You've been selected by a 'national foundation' to receive a scholarship."
- "You're a finalist" in a contest you never entered.

Make sure the information you receive and offers for assistance are legitimate. Don't fall prey to fraud. To file a complaint with the FTC, or for free information, call 1-877-FTC-HELP (1-877-382-4357). The TTY number is 1-866-653-4261. Or visit www.ftc.gov/scholarshipscams.

Identity theft

Besides scholarship scams, you need to be aware of identity theft.

What is identity theft?

Identity theft is a widespread and growing national problem for everyone. This crime involves the theft of your personal information such as your name, address, telephone number and Social Security number. Identity thieves steal your personal information and ruin your credit. These thieves often run up thousands of dollars in credit card debt, just to name one problem, and the bills are sent to you for payment. Your credit rating can be ruined. Even though it's not your fault, you're the one who has to clean up the damage, which can take months or even years.

How can this happen?

Identity theft occurs when someone wrongly gets your personal information, such as your Social Security number or driver's license number, and uses that information to obtain credit cards, loans (including student loans) or merchandise and services in your name. Identity thieves usually get this information from a personal computer that you used for online banking or purchasing transactions. Sometimes just using a cell phone or using your Social Security number for identification can leave you at risk. Why? Each of these transactions requires that you share personal information, such as your name, address and phone number and your bank and credit card numbers.



Occasionally, this information falls into the wrong hands.

What happens if someone steals my identity and gets a student loan in my name?

A Stafford Loan or PLUS Loan may be discharged (canceled) if a court determines that the loan was made as a result of a crime of identity theft.

How can I avoid identity theft?

- Don't throw credit card applications you don't want into the trash. Cut them into several pieces, or shred them, so no one can retrieve them and apply for credit in your name.
- Safeguard your Social Security number at all times. You generally have to provide it to your employer or your bank, but if a business wants it, ask why it's needed and how it will be used before you give it out. There probably is no legitimate reason for any business to need your Social Security number. Never give it or your driver's license number to anyone who calls you on the phone or contacts you online saying they need this information to verify your identity.
- Never give personal or financial information over the phone or the Internet unless you initiated the contact.
- If you apply for our federal student aid programs over the Internet, do so at the Department of Education's www.fafsa.ed.gov, or through www.FederalStudentAid.ed.gov, which are official U.S. government Web sites that are safe and protected from unauthorized disclosure.
- After completing any online application, remember to log off the computer system.
- Review your financial aid award documents and keep track of the amount of student aid applied for and awarded.
- Keep your Federal Student Aid PIN, your online student identifier, in a safe place and never give it to anyone.

These are just a few steps you can take to protect yourself from identity theft. For more information, contact the Federal Trade Commission (FTC) at www.ftc.gov/idtheft, or call **1-877-IDTHEFT (1-877-438-4338)**. To report identity theft that affects your federal student aid, call the U.S. Department of Education's Office of Inspector General Hotline at **1-800-MISUSED (1-800-647-8733)** or go to www.ed.gov/misused.

DID YOU KNOW ...

Identity theft is a growing problem. Typical ways a student becomes a victim include leaving personal information lying around the dorm room or failing to shred credit card offers before throwing them away.

We at the U.S. Department of Education work hard to ensure that information sent over our Web sites is secure. However, students should do their part as well. Make sure you keep your information safe.

BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

I.3. Capital Planning and Budget Committee

Thursday, March 8, 2012
1920 Van Hise Hall
1220 Linden Drive
Madison, Wisconsin

8:30 a.m. Capital Planning and Budget Committee – 1920 Van Hise Hall

- a. Approval of the Minutes of the February 9, 2011 Meeting of the Capital Planning and Budget Committee
- b. UW-Eau Claire: Authority to Lease Space for the Children's Center and Various Purposes
[Resolution I.3.b.]
- c. UW-Madison: Approval of the Design Report and Authority to Construct the West Campus Cogeneration Facility Chiller Addition and Chiller Installations Project
[Resolution I.3.c.]
- d. UW-Madison: Approval of the Design Report and Authority to Construct the Student Athlete Performance Center - Phase II Project
[Resolution I.3.d.]
- e. UW System: Authority to Construct All Agency Maintenance and Repair Projects
[Resolution I.3.e.]
- f. Report of the Associate Vice President
Building Commission Actions

Authority to Lease Space for the Children's Center
and Various Purposes, UW-Eau Claire

CAPITAL PLANNING AND BUDGET COMMITTEE

Resolution:

That, upon the recommendation of the UW-Eau Claire Chancellor and the President of the University of Wisconsin System, authority be granted to request that the Department of Administration execute a lease for 80,938 GSF of space in the Priory for the Children's Center and various uses by the University of Wisconsin-Eau Claire.

THE UNIVERSITY OF WISCONSIN SYSTEM

Request for Board of Regents Action March 2012

1. Institution: The University of Wisconsin-Eau Claire
2. Request: Authority to request that the Department of Administration execute a lease for 80,938 GSF of space in the Priory for the Children's Center and various uses by the University of Wisconsin-Eau Claire. *See below for lease specifics.*

State Functions at Leased Location	The UW-Eau Claire Children's Center, special classes and summer camps, continuing education, environmental studies and sustainability programs, retreats and special community outreach programs
Lease Location	1190 Priory Road, Eau Claire, WI
Type of Negotiation or Selection Process	
Lessor	Blugold Real Estate, LLC (a subsidiary of the University of Wisconsin-Eau Claire Foundation)
Anticipated Occupancy Date	June 1, 2012, or date of occupancy
Lease Term	15 Year
Escalation Rate	None
Renewal Option(s)	No
Purchase Option	No
Space Type	Childcare, classrooms, large meeting rooms, commercial kitchen, residence hall rooms, considerable outdoor space. Small farmhouse.
Square Feet	80,938 SF building space, 112.64 acres of land
Total Modified Gross Cost Per Square Feet	<p>Estimated Total for Years 1-10 of lease period: \$9.35 (\$2.10 base + \$6.25 operating expenses [insurance, maintenance, utilities, taxes] + \$1.00 reserve fund for major repairs, i.e. boiler replacement, windows, etc.)</p> <p>Estimated Total for Years 11-15 of lease period: \$7.25 (\$6.25 operating expenses + \$1.00 reserve fund for major repairs)</p>
Annual Modified Gross Cost	Years 1-10: \$756,770 Years 11-15: \$586,800
Funding Source	Program Revenue including (Non-Federal Grants and Contracts), funding from the UW-Eau Claire Children's Center, conference and workshop fees, summer and other session camp fees, program fees, and special event fees.

3. Description and Scope of Project: The immediate need is for the Children's Center to occupy 24,986 of the 80,938 GSF by June 1, 2012, to prevent delaying the construction of the new Education Building on campus. This portion of the space designated for use by the Children's Center will need capital improvements to bring the building up to code and provide for a functional and efficient learning environment, which will include an extensive nature and environmental curriculum to utilize the surrounding and accessible outdoor areas. This new location will replace the existing UW-Eau Claire Children's Center located on Park Street and in the footprint of the new Education Building.

Planning is underway regarding additional uses for the remaining space in Building A, which will house the Children's Center, and in Buildings B and C, which are connected to each other and immediately adjacent to Building A. The university will use the remaining space, as is, for a number of programs that will benefit from the location on the extensive physical footprint. These will include outreach programs; special evening and weekend courses; retreats for students, faculty, and administration; and continuing education. These various temporary uses will occupy the property while the university completes a strategic planning process to determine the long-term highest and greatest uses for the remaining building space and surrounding acreage.

There also is a small farmhouse and an adjacent four-car garage on the property. The farmhouse has been divided into two apartments and is in fair condition. The university has a great need for housing for visiting faculty and/or new faculty in transition. The rental income from the farmhouse apartments will cover routine operating expenses.

4. Justification: The University of Wisconsin-Eau Claire is scheduled to begin construction of its new Education Building in June 2012 in a space that is partially occupied by the Campus School, which houses the UW-Eau Claire Children's Center. This building must be razed before construction can begin on the new Education Building. The Children's Center was scheduled to have a new building constructed on campus, partially funded by a special student fee allocation and program revenue, with debt service to extend 20 years. When the bids for the project were received in 2011, the total cost was approximately \$578,455 over budget. During the search for alternative off-campus locations in close proximity to campus, the university learned that the Priory (previously known as St. Bede's Monastery) was scheduled to be sold at auction. The original asking price was published as \$4,500,000 by Frauenshuh Commercial Real Estate Group. An independent, certified appraisal completed by Solum & Associates in December 2010 set the market value at \$3,000,000 to \$3,200,000. Blugold Real Estate, LLC (a subsidiary of the UW-Eau Claire Foundation), offered \$1 million to avoid the auction and secure it for possible use by the Children's Center. The bid was accepted.

This lease is particularly desirable because Blugold Real Estate, LLC, was able to purchase the Priory at a below-market price. While the buildings were constructed in 1964, they have been maintained in excellent condition and never have been used to their fullest capacity. They also are solidly constructed so they still have a significant long-term life. The Priory is located three miles from the center of the UW-Eau Claire campus and is easily accessible via a major city street and recently rebuilt county road. The university plans to provide a shuttle system to ensure access to the facility by users and employees.

This option for the Children's Center also is desirable because the projected usable space at the Priory is an additional 10,000 square feet over the building scheduled to be built on campus. This additional space will allow the Children's Center to expand programming to meet the demand, especially for child care options for school-age children during the summers and when elementary schools are not in session. The Priory location's expansive outdoor area provides for significantly more exterior classroom space to enable the Children's Center to fully implement a program-wide nature curriculum. This proposed Children's Center location lends itself to the development of a range of collaborations with various academic areas on campus, providing students with expanded high-impact learning experiences, which is an initiative of the University's strategic plan.

The base lease amount is low because it is calculated using only the Foundation's acquisition costs, debt service and maintenance. The base lease has a de-escalation term where after the end of the first 10 years, the University's payments would be reduced to annual operating expenses and the major repairs reserve fund. Annual operating expenses are based upon projected maintenance, utilities, taxes/insurance and other CAM expenses. The lease will include a "true up" provision so that actual audited expenses will be reviewed at the end of each fiscal year and adjustments up or down made accordingly.

The annual gross cost includes \$1 per square foot to be placed in a major repairs reserve fund. Given the age of the building and its expected long-term use by the university, this reserve fund will be used for mutually agreed-upon major repairs and replacements for such items as the boilers, building of an additional holding pond for the septic system, roof, etc. The lease will stipulate that at the end of the lease period, if there are any remaining funds in this reserve account after the mutually agreed upon major repairs are completed, the foundation will transfer those funds to the university.

The source of funding for the annual operating expenses and major repairs reserve fund is program revenues collected by the university. These program revenues will come from Children's Center user fees, special course fees, summer camp fees, retreat rental fees and other program fees. The source of the total gross cost is program revenue.

Tenant improvements for the Children's Center portion of the building are projected at a cost not to exceed \$2,109,000 (\$84.41 per square foot). In anticipation of the move from its current location, the Children's Center has been building a reserve account. Those funds, along with accumulated program revenue funds from the University, will be sufficient to enable the university to pay for the renovation costs upon completion instead of amortizing the costs in the lease rate. A publicly advertised RFP process was completed in which firms were invited to submit proposals for construction management/general contractor services. Market & Johnson of Eau Claire was the firm selected through this process to be the Foundation's construction manager/general contractor.

To fund the originally planned new Children's Center building, the UW-Eau Claire Student Senate approved a \$17 per student annual fee increase in the Organized Activity Fee that began in the fall of 2010 and will be in place for 20 years. The original use of student fees was for debt retirement on the funding of the new construction. When the alternate location was proposed, the Student Senate voted to redefine the construction/debt service fee to a "Children's

Center Facilities Support Fee.” Since the lease term is 15 years, the Children’s Center intends to use the remaining student fee collection during the period it is in place for other facility needs or expansion to meet the anticipated additional programming as a result of the increase in space.

5. Budget and Schedule: n/a
6. Previous Action: None.

Approval of the Design Report and Authority
to Construct the West Campus Cogeneration
Facility Chiller Addition and Chiller
Installations Project, UW-Madison

CAPITAL PLANNING AND BUDGET COMMITTEE

Resolution:

That, upon the recommendation of the UW-Madison Interim Chancellor and the President of the University of Wisconsin System, the Design Report of the West Campus Cogeneration Facility Addition and Chiller Installations project be approved and authority be granted to construct the project for a total project cost of \$64,621,000 (\$58,805,110 General Fund Supported Borrowing and \$5,815,890 Program Revenue Supported Borrowing).

THE UNIVERSITY OF WISCONSIN SYSTEM

Request for Board of Regents Action March 2012

1. Institution: The University of Wisconsin–Madison
2. Request: Approval of the Design Report of the West Campus Cogeneration Facility Addition and Chiller Installations project and authority to construct the project for a total project cost of \$64,621,000 (\$58,805,110 General Fund Supported Borrowing and \$5,815,890 Program Revenue Supported Borrowing).
3. Description and Scope of Project: This project includes the construction of an approximately 42,500 GSF building addition to the existing West Campus Cogeneration Facility (WCCF) chilled water plant that will house new and future equipment for expansion of the University's chilled water system capacity. The building addition will be sized to handle a total chilled water capacity expansion of 30,000 tons. The project also includes extension of chilled water distribution piping from the new expanded facility to the campus chilled water distribution system.

The addition will be extended north from the existing WCCF facility to cover the open site area that was intended for this purpose. The building facade and exterior concepts shall be consistent with the architecture of the existing facility. The layout of the addition supports the functionality of the housed equipment and integrates with the equipment in the existing chiller plant.

The chilled water system will include two 5,000-ton electric centrifugal chillers, chilled water and cooling tower water pumping systems, cooling towers, and associated auxiliaries. New field-erected cooling towers will be located on the roof to provide chiller heat rejection to ambient air.

The new chilled water distribution piping will extend underground from the north face of the new addition, east down Linden Drive, and north between the existing campus greenhouses and the Biotron Laboratory to existing connections just south of Observatory Drive. The piping will be sized to handle the full 30,000-ton build-out capacity of the plant addition.

The electrical system for the addition will be served by a dedicated pair of 13.8kV feeders originating from switchgear located in the existing cogeneration plant. These feeders will supply a double-ended 5kV substation. This substation will feed the chillers, pumps, and a 480V double-ended substation. Fire alarm, access control, and paging systems will be extended to the addition from the existing plant.

New water services from the existing lake water main and the domestic water main will be extended to the addition to provide primary and backup makeup water supplies for the cooling towers. A new sanitary system will route to existing sanitary utilities within the street. Building and site storm water will route to existing storm water utilities within the street. Water for fire protection systems will be obtained from the existing WCCF fire pumps.

The existing Delta-V control system will be expanded to serve the new equipment in the addition. The existing Delta-V workstation located in the Walnut Street Heating and Cooling Plant will be upgraded to allow monitoring of information from the WCCF chiller plant Delta-V control system.

4. Justification of the Request: Air conditioning for critical temperature and humidity control in UW-Madison buildings is essential to protect costly and sensitive research and instructional equipment; maintain healthy conditions for research animal colonies; and maintain and enhance human working environments. The use of central chilled water is more economical and energy efficient than individual building systems. The campus cooling load has increased over time as new buildings are constructed and older buildings are renovated. The total production from chillers in the Charter Street Plant, Walnut Street Plant, and the West Campus Cogeneration Facility is approximately 66,200 tons. The firm capacity of the campus chilled water system is approximately 57,700 tons. Firm capacity is the capacity of the system with the largest chiller out of service. The campus chilled water production equipment exceeded this firm capacity level in the summer of 2011 and campus load is projected to reach the 66,200 ton level by the summer of 2013. The 10,000 tons of additional capacity supplied by this project will provide adequate capacity to meet the projected campus chilled water load for the next eight years.

5. Budget and Schedule:

Building Construction	\$15,146,000
Pre-Purchased Equipment	12,500,000
Building MEP Systems Construction	19,252,000
Distribution System Construction	5,081,000
Site Remediation	<u>780,000</u>
Total Construction Subtotal	\$52,759,000
WCCF Owners Representative	280,000
Project A/E Design and Commissioning Fees	3,645,000
Project Contingency	5,276,000
DSF Management	2,330,000
Madison Gas and Electric Company Direct Cost	<u>331,000</u>
Total Project Budget	\$64,621,000

Authority to Construct	March 2012
Bid Opening	October 2012
Start Construction	November 2012
Substantial Completion	August 2014
Final Completion	December 2014

5. Previous Action:

December 9, 2010 Resolution 9851	Authorized release of \$1,417,000 Building Trust Funds–Planning and the use of \$147,200 Program Revenue–Cash to prepare preliminary plans, a design report, and construction documents for the West Campus Cogeneration Facility (WCCF) Addition and Chiller Installations project for an estimated total project cost of \$67,553,000 (\$61,473,200 General Fund Supported Borrowing and \$6,079,800 Program Revenue Supported Borrowing).
August 22, 2008 Resolution 9529	Recommended enumeration of a West Campus Cogeneration Facility Addition and Chiller Installations project as part of the 2009-11 Capital Budget at a total cost of \$67,553,000 (\$61,473,200 General Fund Supported Borrowing and \$6,079,800 Program Revenue Supported Borrowing). The project was subsequently enumerated at that level of funding with \$23,002,600 GFSB and \$6,079,800 PRSB available in the 2009-11 biennium and \$38,470,600 GFSB available for release in the 2011-13 biennium.

Approval of the Design Report and Authority
to Construct the Student Athlete
Performance Center - Phase II Project,
UW-Madison

CAPITAL PLANNING AND BUDGET COMMITTEE

Resolution:

That, upon the recommendation of the UW-Madison Interim Chancellor and the President of the University of Wisconsin System, the Design Report be approved and authority be granted to construct the Student Athlete Performance Center - Phase II project at a cost of \$34,980,000 (\$31,330,000, Program Revenue Supported Borrowing and \$3,650,000 Gift Funds) of the total estimated project cost of \$76,800,000 (\$49,200,000 Program Revenue Supported Borrowing and \$27,600,000 Gift Funds).

THE UNIVERSITY OF WISCONSIN SYSTEM

Request for Board of Regents Action March 2012

1. Institution: The University of Wisconsin-Madison
2. Request: Approval of the Design Report and authority to construct the Student Athlete Performance Center - Phase II project at a cost of \$34,980,000 (\$31,330,000, Program Revenue Supported Borrowing and \$3,650,000 Gift Funds) of the total estimated project cost of \$76,800,000 (\$49,200,000 Program Revenue Supported Borrowing and \$27,600,000 Gift Funds).
3. Description and Scope of Project: The Student Athlete Performance Center project is composed of three phases that will ultimately remodel existing space within the McClain Center and Camp Randall Stadium and construct an addition on the north end of Camp Randall. The spaces will house programs for the Division of Intercollegiate Athletics. The project also includes the replacement of the McClain Center roof, replacement of turf at the McClain Center and Camp Randall Stadium, updates to the scoreboard and sound system at Camp Randall Stadium, and site improvements.

Work in the second phase upgrades the entire McClain Center, including replacing the roof and the field turf, and constructs the foundations for the stadium's north addition. The sitework component that will be completed in Phase II includes Badger Way and the new retaining wall for the north practice field area. Phase II will also add new state-of-the-art LED fascia boards to the southwest and southeast corners of the stadium.

The third and final phase will construct the north addition and the student athlete atrium, as well as complete the remaining work associated with the internal Camp Randall renovation. It will also replace the main score/video board, auxiliary boards at Kellner Hall and section A, and the existing sound system. The sitework components that will be completed in phase III include Engineering Drive, restoration of the north practice field area, and the Lot 17 plaza. A request for the third and final phase of the project as well as some possible enhancements will be brought forward in June 2012.

4. Justification of the Request: This project is intended to serve the needs of student-athletes by upgrading or replacing athletic facilities on the UW-Madison campus that are outdated and undersized. In order to accommodate the 2012 and 2013 fall football seasons, the project, which is being constructed in and adjacent to both Camp Randall Stadium and the McClain Center, is being bid and sequenced in three phases. Phasing will be done in such a way to minimize disruption to existing operations.

The first phase of the project, which was approved in October of 2011, is underway and will be complete by late spring 2012. It constructs a new access tunnel from the basement of the

McClain Center to the Camp Randall Stadium field and remodels space on the second floor of Camp Randall Stadium to provide temporary space for functions being relocated from the McClain Center during remodeling. Once Phase I is completed, occupants of the McClain Center will be relocated so that the renovation of the McClain Center can begin.

The Phase II project will completely renovate the lower level of the center to house new Badger Football locker suites, including 125 lockers; a multi-media instructional space; recovery, steam, and shower rooms; a locker suite for the football coaches; and an equipment/issue area. This space will connect directly to the stadium field via the new access tunnel.

The existing fabric and standing seam roof of the McClain Center is past its useful life, as is the current turf practice field. This phase of the project will replace the existing roof on the McClain Center and rebuild the north wall to provide protection for pedestrians from ice, snow, and water falling from the roof.

Improvements to the scoreboard will generate revenue by increasing advertising inventory, and will significantly enhance the fan experience.

Landscape upgrades include upgraded paving and landscaping along the new Badger Way pedestrian and bicycle path from Breese Terrace to the Camp Randall Arch on North Randall Avenue. The site landscape was designed to unify the overall pedestrian experience with simple paving patterns, more trees, and improved areas for bike and moped parking.

5. Phase II Budget and Schedule:

Construction	\$27,190,000
Construction Contingency	1,900,000
AE Fees	2,430,000
DSF Fee	1,160,000
Moveable Equipment	1,300,000
Project Contingency	<u>1,000,000</u>
Total Phase II Budget	\$34,980,000

Phase II BOR/SBC Approvals	March 2012
CMAR GMP *	March 2012
Final Design and Bidding	April 2012
Start of Construction	June 2012
Substantial Completion	December 2012

* CMAR = construction manager at risk
GMP = guaranteed maximum price

6. Previous Action:

August 19, 2010 Resolution 9801	Approved the Badger Performance Center project as part of the 2011-13 Capital Budget request at an estimated project budget of \$76,800,000 (\$49,200,000 Program Revenue Supported Borrowing and \$27,600,000 Gift Funds).
June 10, 2011 Resolution 9921	Granted authority to seek a waiver of §16.855 Wis. Stats., under the provisions of §13.48 (19) Wis. Stats., to allow selection, through a Request for Proposal process, of a Construction-Manager-at-Risk (CMAR) for construction of the Badger Performance Center project at a preliminary estimated budget of \$76,800,000 (\$49,200,000 Program Revenue Supported Borrowing and \$27,600,000 Gift Funds).
October 7, 2011 Resolution 9984	Approved the Design Report for Phase I of the Student Athlete Performance Center project and granted authority to construct Phase I of the project at a cost of \$17,870,000 Program Revenue Supported Borrowing, as a portion of the total estimated project cost of \$76,800,000 (\$49,200,000 Program Revenue Supported Borrowing and \$27,600,000 Gift Funds).

Authority to Construct All Agency
Maintenance and Repair Projects,
UW System

CAPITAL PLANNING AND BUDGET COMMITTEE

Resolution:

That, upon the recommendation of the President of the University of Wisconsin System, authority be granted to construct various maintenance and repair projects at an estimated total cost of \$14,541,300 (\$3,651,300 General Fund Supported Borrowing; \$10,597,700 Program Revenue Supported Borrowing; \$292,300 Program Revenue Cash).

THE UNIVERSITY OF WISCONSIN SYSTEM

Request for Board of Regents Action March 2012

1. Institution: The University of Wisconsin System
2. Request: Authority to construct various maintenance and repair projects at an estimated total cost of \$14,541,300 (\$3,651,300 General Fund Supported Borrowing; \$10,597,700 Program Revenue Supported Borrowing; \$292,300 Program Revenue Cash).

ENERGY CONSERVATION

INST	PROJ. NO.	PROJECT TITLE	GFSB	PRSB	CASH	GIFT/GRANT	BTF	TOTAL
MIL	10D2S	Multi-Bldg Energy Conservation, Ph. IV	\$ -	\$ 9,869,300	\$ -	\$ -	\$ -	\$ 9,869,300
EC SUBTOTALS			\$ -	\$ 9,869,300	\$ -	\$ -	\$ -	\$ 9,869,300

HEALTH, SAFETY, & ENVIRONMENTAL PROTECTION

INST	PROJ. NO.	PROJECT TITLE	GFSB	PRSB	CASH	GIFT/GRANT	BTF	TOTAL
MIL	12B1R	NW Quad Fire Alarm/Telcomm Renv	\$ 2,285,800	\$ 258,200	\$ -	\$ -	\$ -	\$ 2,544,000
HS&E SUBTOTALS			\$ 2,285,800	\$ 258,200	\$ -	\$ -	\$ -	\$ 2,544,000

UTILITIES REPAIR & RENOVATION

INST	PROJ. NO.	PROJECT TITLE	GFSB	PRSB	CASH	GIFT/GRANT	BTF	TOTAL
MIL	10J1Z	Multi-Bldg Steam Lateral Repl (Increase)	\$ 944,800	\$ 282,200	\$ -	\$ -	\$ -	\$ 1,227,000
RVF	11E1C	Parking Lot Q Expansion (Increase)	\$ -	\$ 188,000	\$ -	\$ -	\$ -	\$ 188,000
STP	11L1Y	DeBot Storm Water Sys Renv	\$ 420,700	\$ -	\$ 292,300	\$ -	\$ -	\$ 713,000
UR&R SUBTOTALS			\$ 1,365,500	\$ 470,200	\$ 292,300	\$ -	\$ -	\$ 2,128,000

	GFSB	PRSB	CASH	GIFT/GRANT	BTF	TOTAL
MARCH 2012 TOTALS	\$ 3,651,300	\$ 10,597,700	\$ 292,300	\$ -	\$ -	\$ 14,541,300

3. Description and Scope of Project: This request provides maintenance, repair, renovation, and upgrades through the All Agency Projects Program.

Energy Conservation

MIL - Multi-Building Energy Conservation Ph. IV (\$9,869,300): This project implements energy conservation opportunities based on a recently completed comprehensive investment grade energy audit of nine buildings. Project work includes performance of a wide range of energy conservation measures in the following buildings: Architecture and Urban Planning, Engelmann Hall, Great Lakes Research Facility, Kenilworth Square, Klotsche Center, Klotsche Pavilion, Lubar Hall, Mitchell Hall, and the Zelazo Center. The project improves exterior envelope weather seals, retro-commissions all direct digital control (DDC) systems and installs new controls, retrofits all constant volume systems to new variable air volume systems, installs new variable frequency drives, and optimizes heating systems with new controls and heat exchangers. The lighting will be upgraded, new occupancy sensors will be installed for lighting and temperature control, and domestic water flows will be minimized where practical.

Governor Doyle issued Executive Order 145 on April 11, 2006 relating to Conserve Wisconsin and the creation of high-performance green building standards and energy conservation for state facilities and operations. The order included direction that the Department of Administration, in consultation with state agencies and the UW System, set energy efficiency goals for state facilities. The order requires a 10% reduction in energy conservation from FY05 levels by FY08 and a 20% reduction by FY10.

This project will assist UW–Milwaukee in complying with the energy reduction goals stipulated in Executive Order 145. The implementation of the energy conservation measure (ECMs) identified in this request will result in an anticipated annual energy cost savings of approximately \$646,616 with a simple payback of 15 years. This is below the state energy fund simple payback requirement of 16 years or a 20-year payback with repayment at a 5.25% bond rate and a 3% inflation rate. The anticipated energy reduction is 24% of the current energy consumption in these buildings.

Health, Safety, and Environmental Protection

MIL - Northwest Quadrant Fire Alarm System/Telecommunications System Renovation (\$2,544,000): This project replaces the obsolete fire alarm systems in the Northwest Quadrant (NWQ) Buildings A, B, C, D, and E and installs a security system in critical locations. The project also constructs one telecommunication riser in both Building C and Building D to allow central reporting of fire alarm systems and security systems in the NWQ complex. Systems upgrades are needed to ensure the safety of building occupants and protect the building contents.

Fire Alarm System work includes removing and replacing the fire alarm systems with new multiplex intelligent systems with one-way voice evacuation capability. New panels will be installed in each building to provide coverage to the perimeter of firewalls or fire separations. Smoke and heat detection devices will be installed. Fire alarm panels will monitor and alarm if flow is detected in the fire sprinkler systems. New panels will have adequate capacity to support all initiation and signal devices to be installed under current and/or future remodeling/renovation projects. All panels will report centrally to the campus security office through the campus building automation system through the campus fiber optic backbone.

Telecommunication work includes extending the telecommunication infrastructure from the NWQ complex MDF/Data Center location in the basement of Building B to one new riser in Building C and one new riser in Building D. New risers will be constructed in each building including raceway, fiber optic cable, copper cable, and stacked closets. Preliminary pathway and closet locations have been determined by the University Information Technical Services (UITs) office. The proposed design concept will provide one closet on every third floor. Each closet will serve telecommunication outlets on the same floor, one floor above, and one floor below. There will be limited horizontal connections between telecommunication components, life-safety systems, and other critical infrastructure components. Horizontal cabling required for occupant stations will be done at time of occupancy under a separate project. The project also includes the removal of obsolete legacy components.

Security and access control system work includes replacing security and access control items removed by the previous facility owner and establishing a reliable security and access control system that is fully integrated with the campus building automation system. The project will install a minimal number of cameras and electronic door access equipment as an initial installation. The initial installation will include eleven interior cameras, four exterior cameras, five card readers on exterior doors, and three card readers on interior telecommunication room doors. Additional cameras and electronic key access will be included in future projects. The campus standard access control system is an Andover type consisting of electric locks, door contacts, and card readers placed as needed to secure and access a building or portions of buildings. Typical locations include exterior doors, telecommunication rooms, MEP facilities, critical storage spaces, and areas requiring special security and/or after hours access and reporting. Security cameras are located in critical locations with a tie to the campus security backbone.

The NWQ complex fire alarm system consists of a master panel in the hospital security office and twelve subpanels located throughout the complex. Portions of the system were upgraded in 2000 but many of the panel components are obsolete and repair parts are difficult to find. The system also includes an engineered smoke control subsystem consisting of area ionization detectors that provide alarm by area and control various fire doors and smoke dampers. This system reported to the security office on a continuous basis and alarms were reported to the fire department. The new system will continue to report centrally to the security office and also will be connected into the campus building automation system and report directly to the campus Police Department, in the same manner as other buildings on campus.

The NWQ fire alarm system and fire sprinkler system is monitored by a third party that reports alarms directly to the City of Milwaukee Fire Department. Follow-up reporting from the fire department to the campus Police Department has been unreliable. Hospital equipment that was monitored and used without interruption is no longer being used in the same manner, triggering numerous false alarms. This project will replace the fire alarm system components with a system that will remove proprietary equipment, eliminate the need for third party monitoring, and restore campus confidence in the reliability of the system. This project is needed to ensure the safety of the thousands of daily occupants of these buildings and protect building contents.

The telecommunication riser for Building B was constructed by the campus to allow Building B to be occupied by occupants of Bolton Hall, who relocated to allow a comprehensive HVAC and Life-Safety Improvement project for that facility to proceed. The telecommunication risers for Building C and Building D must be constructed to allow the campus Children's Center to relocate to Building C and a portion of Building D. Telecommunication risers must be in place in Building C and Building D to allow the Children's Center program and other programs that will occupy the other portions of Building D to have connectivity with the campus computer network. The Children's Center Relocation will be the first occupants of Buildings C and D. The telecommunication risers need to be in place so the horizontal cabling provided under that project can be terminated.

This project is also needed to enable complete connection of critical life safety and security systems to the campus building automation system.

Prior to the Columbia Saint Mary's (CSM) hospital sale, the owner removed the security cameras, Matrix control panels, and card readers at doors with electronic strikes. The electronic strikes, door contacts and distribution cabling to these doors and camera locations still remain. The Matrix system used by CSM was proprietary and obsolete and is not compatible with the campus Andover system. This complex is large with a vast number of exterior doors that are not easily monitored from the interior or the perimeter of the property. The large number of wings with exterior courtyards also poses a safety risk to pedestrians. With the purchase of the CSM complex, the campus suddenly grew by 20%. The resulting area that requires patrolling also increased, but the number of security personnel did not increase. Electronic monitoring and access controls will effectively and efficiently aid circulation through the buildings, and help protect the building's occupants and contents. This project is needed to ensure reliable safety to hundreds of people that will use these buildings on a daily basis.

Utilities Repair and Renovation Requests

MIL - Multi-Building Steam and Condensate Lateral Replacement (\$1,227,000 increase for a total project cost of \$3,316,000): This request increases the project scope and budget to address additional segments of steam and condensate and chilled water supply and return laterals not previously included in the approved project. During the design phase, the design consultant's field investigation and verification discovered three lateral segments that were in the same or worse condition as the sections already approved. It was also determined the adjacent chilled water supply and return lines should be replaced due to condition and to facilitate the steam and condensate laterals replacement. A segment of ~100 LF from a steam pit to the Fine Arts Lecture Hall was discovered with imminent pipe failure and a segment of ~145 LF from a steam pit to Garland Hall and Pearse Hall has a failed pipe and requires immediate repair. A segment from the East Hartford Avenue steam tunnel to Sandburg Hall was discovered with significant storm water infiltration and damage. This project will abandon this damaged segment (510 LF) and construct a replacement segment of ~110 LF from the new steam tunnel being constructed along North Maryland Avenue to serve the Northwest Quadrant complex.

RVF - 11E1C - Parking Lot Q Expansion (\$188,00 increase for a total project cost of \$700,000): This request increases the project budget to match current design consultant estimates. The recent cost estimates significantly exceed the authorized budget and this project budget increase is required to bid the project and to complete the originally approved project scope and intent. New storm water management regulations, additional pedestrian pavement replacement, and additional lighting and parking control equipment installations contributed to the higher budget estimate.

STP - DeBot Dining Center Storm Water System Renovation (\$713,000): This project renovates the storm water system serving the DeBot Dining Center district to resolve flooding problems in the basements of the dining hall and four adjacent student residence

halls. Storm water run off will be directed away from the municipal storm sewer system, which is undersized for large storm events.

Project work includes redirecting the storm water runoff to new 10-inch and 12-inch diameter storm pipes connecting to an adjoining practice field drainage system and leading to a 6-foot diameter storm culvert. Six catch basins will be installed: five on the northeast side and one on the south side of the DeBot Dining Center. Grades adjacent to the northeast and south side storm basins will be revised to improve surface drainage away from the building. Pedestrian walkways on the south side will be re-aligned to reflect current pedestrian travel patterns. A new 12-inch storm sewer will be routed south at the DeBot Dining Center loading docks and then east to the new south side catch basin. A new check valve will be installed in the 10-inch lateral to the street to serve as an alternate route and not allow backup from the street to the loading dock. The loading dock drives will be regraded away from the building and repaved. To increase the drainage capacity for the residence halls located to the north, a 10-inch storm line will be installed to drain east to the practice field.

Some interior storm pipes within the DeBot Dining Center need to be rerouted and re-pitched to connect to the new north-south sewer line. The roof drain system lines that merge under the building will be rerouted to a new 10-inch line that will ultimately connect to the new 12-inch storm drain. Storm water connections to the foundation drain tile system will be blocked. A cracked slab in DeBot Dining Center Room 68 will be replaced on the lower level of the building and a sump pump will be provided if necessary. Roof scuppers and external drain leaders will be added to the four main DeBot roofs to prevent excessive build-up of water. A gooseneck exterior site drain will be added to direct heating/venting collected condensate out of the building. A sump pump will be added to signal Pit 53 southeast of DeBot.

Flooding occurred in the lower levels of the DeBot Dining Center and four adjacent residence halls on two occasions during the past year. An engineering consultant performed a forensic investigation and provided the conceptual design to reroute storm water as the basis for this request. It is believed that the municipal storm water system lacks capacity during heavy storms. Rerouting the storm water laterals is considered the best solution to prevent future flooding of the buildings. A large area north and east of the DeBot Dining Center has no natural drainage outlet, and the low points of this area are next to the building. A pedestrian bridge drains water into a paved plaza and back into the low area. Large quantities of roof water were observed flowing over the DeBot Dining Center roof edge and onto the bridge area during a major July 2011 rain storm. On the south side some pedestrian walkways constructed prior to the DeBot Dining Center addition are regularly under water and could become problematic during winter.

The DeBot Dining Center loading dock is lower than all adjacent areas, including the street. When the street storm lines are full, water collects at this dock. The storm water in this district will be redirected to playing fields to the east. If the capacity of the city storm system should be exceeded, storm water will flow harmlessly onto these fields instead of flooding the building.

The DeBot Dining Center foundation drains need to be separated from the roof drain system so that if the roof drain system does backup, storm water does not back up into the foundation drains and seep up on to the floors. The lower level of DeBot Dining Center experienced extensive water damage in July 2011 because of water seeping through floor slab cracks, and has caused slab heaving. The slab leakage is presumed to be the main source of interior flooding. Water backed up into heating/venting condensate drains at three locations, including one in the ceiling of the upper level.

4. Justification of the Request: UW System Administration and the Division of State Facilities continue to work with each institution to develop a comprehensive campus physical development plan, including infrastructure maintenance planning. After a thorough review and consideration of approximately 450 All Agency Project proposals and over 4,500 infrastructure planning issues submitted, and the UW All Agency Projects Program funding targets set by the Division of State Facilities (DSF), this request represents high priority University of Wisconsin System infrastructure maintenance, repair, renovation, and upgrade needs. This request focuses on existing facilities and utilities, targets the known maintenance needs, and addresses outstanding health and safety issues. Where possible, similar work throughout a single facility or across multiple facilities has been combined into a single request to provide more efficient project management and project execution.

5. Budget:

General Fund Supported Borrowing	\$ 3,651,300
Program Revenue Supported Borrowing	10,597,700
Program Revenue Cash	<u>292,300</u>
Total Requested Budget \$ 14,541,300	

6. Previous Action:

12/10/2010 Resolution 9855	The Board of Regents previously approved MIL - Multi-Building Steam Lateral Replacement at an estimated total cost of \$2,089,000 (\$1,608,500 General Fund Supported Borrowing and \$480,500 Program Revenue Cash).
06/10/2011 Resolution 9924	The Board of Regents previously approved RVF - Parking Lot Q Expansion at an estimated total cost of \$512,000 Program Revenue Supported Borrowing.

7/15/2011

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