



**Statement on Senate Bill 540 / Assembly Bill 740:
Providing for Additional Funding for Wisconsin Grants to
Technical College Students**

February 11, 2016

The Wisconsin Technical College System (WTCS) operates 16 colleges with 49 campus locations across the state. WTCS enrolls over 30,000 full-time students, and many more part-time students each fall, according to the Integrated Postsecondary Education Data System. WTCS is a key piece of the state's higher education system and economy, because research shows people with two-year degrees and certificates realize higher employment and earnings than people with only high school degrees (Belfield & Bailey, 2011). However, paying for college is a barrier to completing degrees for students from low-income families. These students tend to attend and complete college at far lower rates than students from higher-income families, even when both groups have the same academic preparation (Belley & Lochner, 2007).

Wisconsin Senate Bill 540 allocates an additional \$500,000 of General Program Revenue in each year to fund Wisconsin Grants for students from low-income families, who are attending WTCS colleges. The Wisconsin Grant provides from \$500 to \$1,084 per student at WTCS to pay for tuition, fees, and living expense. Therefore an additional \$500,000 could support an additional 500 to 1,000 students each year. The additional funds would become available for students currently enrolled in the 2015-16 school year, and the increment would become part of the funding base that is used to calculate future biennial funding amounts.

The Wisconsin Grant program does not have enough funding to support all financially eligible students, resulting in a long waiting list each year, according to the Legislative Fiscal Bureau. In school year 2014-15, a total of 24,275 WTCS students received a Wisconsin Grant. In the same year, a total of 34,725 financial aid applicants who expressed interest in attending WTCS and were financially eligible for a Wisconsin Grant, did not receive a grant offer because funding ran out. The additional funding in this bill will cut into the waiting list.

The bill represents a 2.5% increase in total spending on Wisconsin Grants to WTCS, over the amount currently allocated for school year 2014-15. A proposed substitute amendment to the bill would have increased funding for Wisconsin Grants at WTCS and the UW System so that the full waiting list could receive grant offers. This would require a 35% increase in funding for the entire program, which would mostly accrue to WTCS, because the waiting list is largest there.

The Wisconsin HOPE Lab supports efforts to make financial aid clear and predictable to low-income families who are considering how they will pay for college, which both the bill and the substitute amendment proposals would move toward. Additional funding helps students who file their financial aid application later, who tend to be more disadvantaged (Feeney & Heroff, 2013).

Competing funding proposals raise important questions about to what extent the dollars invested in the Wisconsin Grant program are fulfilling the program goals of improving educational attainment and the quality of the state's workforce. There are no rigorous studies that evaluate the efficacy of the grants at improving enrollment, retention, or graduation rates among students from low-income backgrounds. The Wisconsin HOPE Lab recently laid out a plan to undertake a study to do just that, by comparing the educational outcomes of Wisconsin Grant recipients to similar financial aid applicants who end up on the waiting list (Anderson & Goldrick-Rab, 2016).

For now, the addition of more funding to the Wisconsin Grant at WTCS will expand the reach of the grant program to more applicants, moving the expectation of aid closer to reality for the students the program was created to serve. In the future, we hope to provide direct research evidence that can form a basis for decisions about funding and structuring the program.

References

Anderson D., & Goldrick-Rab, S. (2016). The Wisconsin Grant: Overview and recommendations for evaluation. Wisconsin HOPE Lab Working Paper.

Belfield, C., & Bailey, T. (2011). The benefits of attending community college: A review of the evidence. *Community College Review* 39(1): 46–68.

Belley, P., & Lochner, L. (2007). The changing role of family income and ability in determining educational achievement. *Journal of Human Capital* 1(1): 37–89.

Feeney, M., & Heroff, J. (2013). Barriers to need-based financial aid: Predictors of timely FAFSA completion among low-income students. *Journal of Student Financial Aid* 43(2): 65–85.

Links

2015-16 Wisconsin Legislative Session. Senate Bill 540.

<http://docs.legis.wisconsin.gov/2015/proposals/reg/sen/bill/sb540>

Wisconsin HOPE Lab publications: <http://wihopelab.com/publications>