

# Economy forces colleges to increase aid

Institutions make other cuts to offer more money to students

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The recent drastic state budget cuts to the University of Wisconsin System, coupled with more students who depend on financial aid, have left college officials across the state grappling with their own budgets.

Presidents at both public and private institutions in Wisconsin are facing tough economic times with less money coming in — either from the state and federal government, or student tuition — and a higher demand for employable skills.

'We urgently need to find ways to **GET STUDENTS THROUGH PROGRAMS.** We're their last best hope'

**Michael Burke**  
Milwaukee Area Technical College

that requires is the institution to put in more of its own money. The question is, how long can we go on contributing cash we really can't afford and taking it out of another pot like maintenance and new equipment."

Viets was one of 14 Milwaukee-area college and

"For us, the biggest problem is the number of students who show up at our doors without the ability to contribute to their own education," said Hermann Viets, president of Milwaukee School of Engineering. "What



Roundtable panelists (from left) Mary Meehan, John Pauly, Deborah Ford, Michael Burke, James Loftus, Ray Cross and Paul Price.

university officials to attend a Nov. 7 Education Roundtable discussion hosted by The Business Journal at the Wisconsin Club in Milwaukee.

Several of the executives addressed affordability and how difficult it is for students to attend college, and also how hard it is for schools to subsidize their education through scholarships.

At Mount Mary College, Milwaukee, 95 percent of students receive some sort of financial aid and 41 percent of undergraduate students receive

federal Pell Grants, which means they are living below the poverty level.

Eileen Schwalbach, president of Mount Mary, said over the past two years, financial aid has been increased 27 percent. However, those increases cannot continue, she said.

A recent retention study found most of the students who leave Mount Mary do not transfer to another school, rather drop out because of financial issues. Those who do transfer typically go

to Milwaukee Area Technical College or the University of Wisconsin-Milwaukee, which are more affordable, Schwalbach said.

Several other schools have also increased the amount of money provided for student education. At Alverno College, Milwaukee, \$17 million of the \$45 million annual budget goes to student aid.

Marquette University, Milwaukee, spends between \$80 million and \$90 million a year on financial aid.

"We have robust fundraising, so I don't think we got nicked quite as hard with the financial downturn," said John Pauly, Marquette provost. "Still, a chief issue is how do we continue to make education available to a wider group of students. Financial aid is one of the biggest expenditures in the entire university."

While most private colleges are driven by tuition or philanthropy, public universities, which have been dependent on the state to increase their budgets, have taken an additional hit this year.

The state Legislature is considering a proposal where the University of Wisconsin System would have to absorb an additional \$65.6 million cut. If approved, the cut will be in addition to the \$250 million hit the system took in the biennial budget.

The University of Wisconsin System's annual budget represents about 7 percent of total state expenditures.

UWM chancellor Michael Lovell said the cuts, coupled with changes to collective bargaining laws for faculty, have created numerous tensions on campus.

"We obviously have to completely look at our

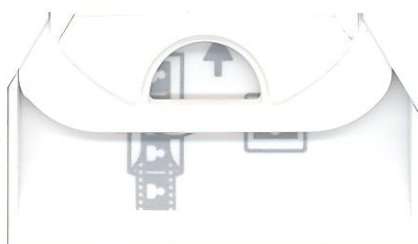
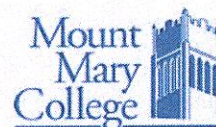
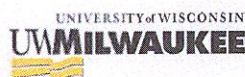


From left, Daniel Johnson, Harry Muir Jr., Rev. Patrick Ferry, Denine Rood, Hermann Viets, Michael Lovell and Eileen Schwalbach.

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# BUDGET CUTS: Colleges, universities offer more aid to get students

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budgeting models and reorganize ourselves," Lovell said. "We were all lean before. Now our best faculty is getting poached and going to other parts of the country because we can't pay."

Deborah Ford, chancellor of UW-Parkside, Kenosha, said trying to stabilize funding mechanisms is difficult in the current environment.

"Is our reliance going to be funds from the state, tuition or the federal government, particularly when we look at helping students

with affordability?" Ford said. "Since I arrived in Wisconsin in 2009, it continues to go in the wrong direction."

### WORKING TOGETHER

Higher education officials agreed that collaborating with each other is one way to get through this tough financial situation.

"It's very difficult to find ways to be more efficient and more effective, but that's what we have to do," said Ray Cross, chancellor of UW Colleges & Extension. "We have to share resources, and share some of the things we do with institutions and organizations that historically we have not collaborated with."

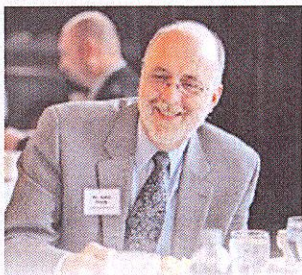
The financial uncertainty has led to another positive change at area campuses. Several college and university presidents said they've had to become more "nimble" in their strategic planning processes and more business-like in their approach to planning.

At Wisconsin Lutheran College, administrators did a campuswide analysis and ended up adding 12 majors and launching a graduate studies program, said Daniel Johnson, president of the Milwaukee college.

"We're a stronger institution because of it," Johnson said. "I'm not sure we would have gone down that road as aggressively as we did if we weren't forced to."

Michael Burke, MATC president, said the financial situation has created a sense of urgency around the work the school does.

"This community probably needs us more now than ever," Burke said. "We urgently need to find ways to get students through programs. We're their last best hope."



'A chief issue is **HOW DO WE CONTINUE** to make education available to a wider group of students.'

**John Pauly**  
Marquette University

### Education Roundtable

Fourteen southeastern Wisconsin higher-education leaders attended The Business Journal's Education Roundtable Nov. 7 at the Wisconsin Club:

- **Michael Burke**, Milwaukee Area Technical College
- **Ray Cross**, University of Wisconsin Colleges & Extensions
- **Rev. Patrick Ferry**, Concordia University
- **Deborah Ford**, University of Wisconsin-Parkside
- **Daniel Johnson**, Wisconsin Lutheran College
- **James Loftus**, Cardinal Stritch University
- **Michael Lovell**, University of Wisconsin-Milwaukee

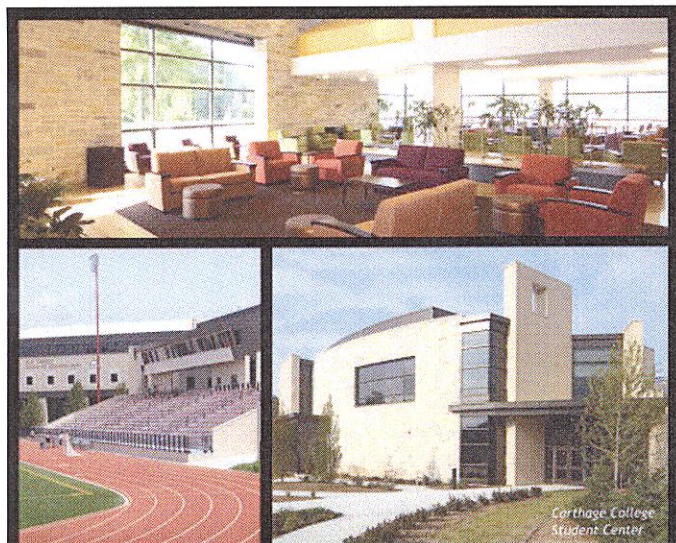


**Denine Road**

- **Mary Meehan**, Alverno College
- **Harry Muir Jr.**, University of Wisconsin-Waukesha
- **John Pauly**, Marquette University
- **Paul Price**, University of Wisconsin-Washington County
- **Denine Road**, Waukesha County Technical College
- **Eileen Schwalbach**, Mount Mary College
- **Hermann Viets**, Milwaukee School of Engineering



**Deborah Ford**



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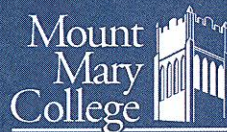
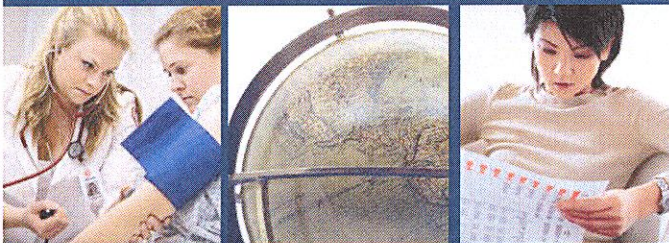
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