

Statement on Affordability of a High-Quality
University of Wisconsin Education and Establishment of
Resident Undergraduate Tuition for the 2017-19 Biennium

BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

Resolution II.10.

WHEREAS the Board of Regents affirms that the University of Wisconsin System is dedicated to providing an affordable, high-quality education for its students; and

WHEREAS affordability is influenced by the five key elements of time to degree, state support, financial aid, tuition, and cost to deliver the educational experience; and

WHEREAS the University of Wisconsin System is reducing time to degree by providing additional opportunities for high school students to complete college coursework, enhancing advising for UW students, and expanding seamless transfer opportunities; and

WHEREAS in August 2016 the Board of Regents and the University of Wisconsin System requested a reasonable increase in state General Purpose Revenue for the 2017-19 biennium to address the state's workforce and educational needs, as guided by the *2020FWD* strategic framework; and

WHEREAS, to better serve eligible UW System students, in June 2016 the Board of Regents approved a request for an increase in state financial aid funding to be included in the Higher Educational Aids Board budget; and

WHEREAS the University of Wisconsin System continues to address the cost to deliver the educational experience by creating operational efficiencies through standardizing, consolidating, and streamlining operations, as expressed in the Commitment to Operational Reform and Effectiveness (CORE) initiative; and

WHEREAS the Board of Regents recognizes that tuition is an important factor in maintaining affordability and would like to provide Wisconsin citizens with a fifth year of flat tuition for resident undergraduates in 2017-18; and

WHEREAS, ultimately, a high-quality education can only be delivered in a timely manner if tuition keeps pace with the cost of living;

BE IT THEREFORE RESOLVED that the Board of Regents approves a zero-percent increase in resident undergraduate tuition for the 2017-18 academic year and an increase of no more than the rate of the Consumer Price Index in 2018-19; and

BE IT FURTHER RESOLVED that the Board of Regents takes this action in the interest of maintaining a high-quality educational experience for UW System students, of giving Wisconsin students and their families the ability to plan ahead, and of promoting affordability.

AFFORDABILITY OF A HIGH-QUALITY UNIVERSITY OF WISCONSIN EDUCATION

BACKGROUND

As part of the University of Wisconsin System's longstanding commitment to providing a quality higher education experience that is both accessible and affordable, the University is addressing the five primary components of college affordability: (1) time to degree, (2) state support, (3) financial aid, (4) tuition, and (5) operating efficiencies. This comprehensive approach is key to achieving the results outlined in the UW System's [2020FWD](#) strategic framework.

The speed at which students graduate is the most important factor in college affordability. The sooner students complete school and enter the workforce, the sooner they are earning salaries. The UW System is currently in the fourth year of a resident undergraduate tuition freeze in accordance with the state's last two biennial budgets. That freeze, combined with flat financial aid and cuts in state funding, are producing increased class size and fewer classes, as well as potential harm to the student experience.

State General Program Revenue (GPR) support for the UW System is currently the lowest it has been in the UW System's 40-years-plus history, when adjusted for inflation. In August 2016, the Board of Regents and the University of Wisconsin System approved a request for \$42.5 million in state GPR for the 2017-19 biennium to fund new initiatives that address the state's workforce and educational needs as outlined in the *2020FWD* framework.

For students seeking financial aid, the average Wisconsin Grant award amount has fallen from \$2,161 to \$1,773, reflecting an increase in the number of students who need financial aid. State funding for the Wisconsin Grant Program, the state's largest financial aid program for students attending UW institutions, has remained flat at \$58.3 million since the 2010-11 academic year.

In June 2016, the Board of Regents recommended increasing state funding for financial aid by \$19,152,300 for the 2017-19 biennium. The request has been forwarded to the state's Higher Educational Aids Board (HEAB) to be included in HEAB's biennial budget submission.

The UW System continues to be one of the most affordable options for students relative to peers. Tuition is only one component of that affordability. The current tuition freeze has provided savings to students in the immediate term. However, it can also mean fewer classes and longer time to graduation, costing students more in the long run.

Tuition typically supports only the instructional portion of the UW budget. Instructional costs include student services, libraries, administration, support costs, supplies and services, and faculty salaries and fringe benefits, which comprise the largest portion of instructional costs.

As described at the August 2016 Board meeting, the UW System continues to pursue operational efficiencies as part of its Commitment to Operational Reform and Effectiveness (CORE) Project. In FY 2014, administrative costs in the UW System represented 6.2 percent of its budget, compared to the 8.8 percent national average for higher education institutions. To further enhance affordability for students and families, the CORE Project focuses on streamlining operations in four main areas: human resources, the budgeting system, information technology, and procurement.

In conclusion, the value of a UW System education is undeniable. Students graduate from the UW System with debt that averages less than the cost of a car, but earn about \$1 million more over their lifetime than someone with a high school diploma.

A college education can also help significantly during difficult economic times. According to a study conducted by the Georgetown University Center on Education and the Workforce, workers with a high school diploma or less lost 6.3 million jobs during the Great Recession, and very few of those jobs have come back. Meanwhile, the study states, "...the number of jobs requiring at least a bachelor's degree did not decline during the Great Recession and has exploded in the recovery. Today, there are 8.1 million more jobs for Americans with a bachelor's degree or above than existed when the recession began. Virtually all job growth in the U.S. since 2007 is in jobs requiring some form of postsecondary education."

REQUESTED ACTION

Adoption of a resolution including a statement on the affordability of a high-quality University of Wisconsin education and establishment of resident undergraduate tuition for the 2017-19 biennium.

DISCUSSION

The UW System's [2020FWD](#) strategic framework, which is the basis for the UW System's 2017-19 biennial budget request of \$42.5 million, provides many solutions to help address college affordability while building the workforce of tomorrow. College affordability and workforce development were the two biggest concerns voiced by the nearly 5,000 citizens, community leaders, business owners, and other stakeholders across the state who participated in the UW System's listening sessions over the past year.

Accordingly, the UW System has included the following solutions to help students in its 2020FWD strategic framework:

- Developing additional collaborations with the System's Pre-K-12 partners to ensure more students are better prepared for college;
- Expanding college-credit options for high school students to provide the opportunity to shorten time to degree;
- Adding or expanding academic programs in areas most critically needed in Wisconsin's current and future workforce;
- Boosting flexible learning options for working adults so they can learn while they earn;