



# DAVE MURPHY

State Representative • 56th Assembly District

May 18, 2023

Chairman Callahan and Members of the Assembly Committee on Consumer Protection. Thank you for holding a public hearing on **Assembly Bill 132**.

In order to prevent tuition from skyrocketing after the current freeze we must implement a common sense law placing controls on how tuition and fees will be set in the future. Under the bill, tuition and fees for in-state Wisconsin undergraduates could not increase faster than the rate of inflation.

Resident undergraduate tuition at all 13 UW institutions has been frozen since 2012. The Board of Regents, however, has resumed authority under 36.27 (1) of Wis. Stats. to increase tuition as it sees fit.

After the previous single year tuition freezes in 1967 and 1999, tuition increased by 56% and 60% respectively over the subsequent four year period, far exceeding the rate of inflation.

Under my bill, if the non-statutory freeze expires, the Board of Regents may only increase tuition and fees for resident undergraduate students up to the rate of Consumer Price Index (CPI-U). This would set a ceiling on annual tuition and fee increases, permitting the board to set tuition and fees at any rate below this level.

A statutory cap on future tuition increases will provide Wisconsin families and UW System institutions with the predictability required to budget for college expenses into the future.

Thank you for your time and I would be happy to address any questions you may have.



**ANDRÉ JACQUE**

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*Testimony before the Assembly Committee on Consumer Protection*

*Senator André Jacque*

*May 18, 2023*

Thank you Mr. Chairman and Members for holding this hearing on Assembly Bill 132, which would cap University of Wisconsin System resident undergraduate tuition and fees.

In order to prevent tuition from skyrocketing after the current freeze we must implement a common sense law placing controls on how tuition and fees will be set in the future. Under the bill, tuition and fees for in-state Wisconsin undergraduates could not increase faster than the rate of inflation.

Resident undergraduate tuition at all 13 UW institutions has been frozen since 2012, however the Board of Regents has resumed authority under 36.27 (1) of Wis. Stats. to increase tuition as it sees fit.

After the previous single year tuition freezes in 1967 and 1999, tuition increased by 56% and 60% respectively over the subsequent four year period, far exceeding the rate of inflation, as displayed in the tables below.

Under the bill, if the non-statutory freeze expires, the Board of Regents may only increase tuition and fees for resident undergraduate students up to the rate of Consumer Price Index (CPI-U). This would set a ceiling on annual tuition and fee increases, permitting the board to set tuition and fees at any rate below this level.

A statutory cap on future tuition increases will provide Wisconsin families and UW System institutions with the predictability required to budget for college expenses into the future.

Thank you for your consideration of Assembly Bill 132. I'd be happy to answer any questions.



Office of Government Relations

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DATE: May 18, 2023

TO: Members of the Assembly Committee on Consumer Protection

FROM: UW System Office of Government Relations

RE: Testimony on Assembly Bill 132

Thank you, Chairman Callahan and committee members, for providing the UW System (UWS) an opportunity to provide testimony on Assembly Bill 132 (AB 132).

We value the legislative intent to keep our university system schools affordable and provide cost transparency for students. UWS and the Board of Regents (BOR) share these values, and with the renewed authority to set tuition, intend to keep these ideals at the forefront of tuition discussions. To show its commitment, UWS conducted an affordability study last June that found we are the best value compared to our Midwest peers, and we intend to keep it that way.

In the 2021-2023 state budget, the legislature and Governor granted tuition setting authority back to the BOR. In receiving the renewed tuition setting authority, the BOR and UWS thoughtfully engaged in conversations on how to improve the tuition setting process and provide reasonable expectations, notice, and transparency of any tuition changes for students. It was for these reasons that UWS President Jay Rothman recommended, and the BOR approved, maintaining the tuition freeze for an additional academic year through 2022-2023 at the June 2022 meeting.

When it came time to consider tuition for the 2023-2024 academic year, many factors were considered. At the forefront was keeping tuition affordable and preserving the quality of education students deserve and Wisconsinites expect. After a 10-year tuition freeze and with inflation diminishing our universities' purchasing power, the BOR voted for a modest tuition increase that was well below current CPI. The tuition increases that the BOR approved raised tuition rates by an average just under 5 percent for resident undergraduates—well below the rate of inflation. Increases vary by university, but no increase is more than 6 percent.

With tuition setting authority, the BOR has remained student focused. AB 132 would hinder the Board's authority to review the system's needs to evaluate and set tuition at a rate that provides affordability and quality.

Our universities are Wisconsin's talent generator. Our strategic plan aims to grow the talent pipeline of student graduates by 10 percent over the next five years to 41,000 students annually. Affordability and access are critical to meeting these goals.

Again, thank you for the opportunity to provide testimony on this bill.



# WISCONSIN

UNIVERSITY OF WISCONSIN-MADISON

## Assembly Committee on Consumer Protection

2023 Assembly Bill 132

*University of Wisconsin System resident undergraduate tuition and fees*

May 18, 2023

Chairman Callahan and members of the Assembly Committee on Consumer Protection:

The University of Wisconsin-Madison thanks the committee for the opportunity to provide written testimony on Assembly Bill 132, relating to University of Wisconsin System resident undergraduate tuition and fees. UW-Madison opposes the passage of AB 132 for the reasons discussed below.

Tuition-setting authority for in-state undergraduate tuition was returned to the University of Wisconsin System Board of Regents as part of the 2021-23 Biennial Budget. The Board of Regents did not consider an undergraduate resident tuition increase for the fall 2021 semester. However, modest and predictable tuition increases are necessary for several reasons. They support increases in the costs of goods and services, allow for us to expand financial aid to students and families with demonstrated need, and ensure we remain competitive in retaining and recruiting world class faculty, among other things. For UW employee compensation increases, the state provides 70% and UW System campuses are expected to contribute 30%. Tuition increases proposed take into account campus contributions to employee compensation. As we have seen from unprecedented levels of inflation and supply chain challenges, modest tuition increases are needed now more than ever to keep up with rising costs.

As Wisconsin's flagship campus, UW-Madison is committed to higher education access and affordability. More than half of UW-Madison undergraduates earn their degree with no student debt. For those that graduate with debt, the student loan default rate is less than 1%, compared to the national average of over 10%. This tells us that UW-Madison students are well prepared for the workforce and are able to get jobs and start careers that allow them to pay back their student loans.

UW-Madison also offers millions of dollars of financial aid to Wisconsin residents each year. Our preeminent tuition assistance program, Bucky's Tuition Promise, ensures a tuition free four-year college education for all Wisconsin residents who are admitted to UW-Madison with a family income of less than \$65,000. There is a similar program for Wisconsin residents transferring from two-year institutions called Badger Promise, which provides similar tuition and fee benefits. In the first five years, nearly 5,000 UW-Madison students have benefitted from Bucky's Tuition Promise and hail from all 72 counties across Wisconsin. More than half are first generation college students.

Earlier this year, Chancellor Mnookin announced a new program. Bucky's Pell Pathway provides not just tuition and fees, but funding for housing, meals, and educational supplies for Pell-eligible students from Wisconsin.

Office of University Relations

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As we continue to grow our commitment to affordability, it seems reasonable for policymakers – now the Board of Regents - to implement modest and predictable tuition increases for in-state students, as our peer institutions have been doing, to ensure that we have the resources required to provide our students a world-class education. In March of this year, the Board of Regents overwhelmingly passed an increase to tuition and segregated fees of about 5% systemwide. At UW-Madison, the total increase for tuition and fees was under 4%. This increase included base undergraduate in-state tuition, housing, segregated fees, and differential tuition for nursing, business, and engineering. The differential increases support specific benefits and services to students enrolled in these high-cost programs. Including housing, the overall increase for cost of attendance is 3% for the upcoming school year. All tuition increases approved were far below the national CPI of 6.5% for 2022.

Assembly Bill 132 would prohibit undergraduate in-state tuition and segregated fees from being increased beyond the rate of inflation. For the last ten years, UW-Madison's in-state undergraduate tuition has been frozen. At the same time, tuition at Big 10 schools in other midwestern states has increased between 5.3% and 25.1%, as demonstrated by the attached slide. UW-Madison should not be the most expensive school in the Big 10, but nor should it be second from the bottom. Rather than artificially tying tuition increases to the CPI as AB 132 would do, UW-Madison's tuition should be considered in relation to the tuition at other Big 10 schools, with a goal of being at or slightly above the average of those tuition rates. Doing so, in combination with programs like Bucky's Tuition Promise and Bucky's Pell Pathway, would provide an ability to remain responsive to the changing landscape in higher education while maintaining our commitment to affordability.

This proposal also limits increases in segregated fees, which limits the ability of the campus to be responsive to student needs. There are two types of segregated fees that are paid by students: allocable and nonallocable. These fees directly fund many student services and resources on the campus. Allocable fees provide substantial support for campus student activities and are allocated by students through the student government process.,

Most of the seg fee costs fall under nonallocable fees which are determined by the Chancellor with approval by the Board of Regents. Examples of nonallocable segregated fees at UW-Madison include debt service on renovations to the historic Memorial Union and construction costs for two new recreation facilities which were approved by students in a binding referendum; the operation of University Health Services, the Wisconsin Union, and UW-Madison Student Recreation & Wellbeing; and subsidy of the Madison Metro bus pass. Changes in the proposed legislation would limit the university's ability to address emerging student needs such as the demand for expanded mental health services in the wake of the pandemic.

Affordability and accessibility for Wisconsin residents is important to UW-Madison and will continue to be a priority. However, the proposed changes outlined in Assembly Bill 132 unnecessarily limit the university's ability to remain competitive and operate as a world-class institution.

Thank you for the opportunity to submit written testimony on the impact this legislation would have on UW-Madison. If you have any questions, please reach out to UW-Madison Director of State Relations Crystal Potts at [crystal.potts@wisc.edu](mailto:crystal.potts@wisc.edu) or (608) 265-4105.