Wisconsin Legislative Council STAFF BRIEF



STUDY COMMITTEE ON THE FUTURE OF THE UNIVERSITY OF WISCONSIN SYSTEM

Emily Hicks, Staff Attorney
Katie Bender-Olson and Scott Grosz, Principal Attorneys

July 3, 2024 SB-2024-01

The Wisconsin Legislative Council is a nonpartisan legislative service agency. Among other services provided to the Wisconsin Legislature, staff of the Wisconsin Legislative Council conduct study committees under the direction of the Joint Legislative Council.

Established in 1947, the Joint Legislative Council directs study committees to study and recommend legislation regarding major policy questions facing the state. Study committee members are selected by the Joint Legislative Council and include both legislators and citizen members who are knowledgeable about a study committee's topic.

This staff brief was prepared by the Wisconsin Legislative Council staff as an introduction for study committee members to the study committee's topic.

INTRODUCTION

The Joint Legislative Council has directed the Study Committee on the Future of the University of Wisconsin System to do the following: (1) examine demographic trends affecting the University of Wisconsin System (UW System); (2) evaluate institutional infrastructure needs based on geographic access, workforce planning, and student demand for specific areas of study; (3) review the administrative staff needs and governance structure of the UW System, including the Board of Regents (BOR); and (4) make recommendations to modify current law and address the future plans for the UW System. To support committee members in accomplishing this charge, this staff brief provides information on the following topics:

- **Part I** provides background on the current structure of the UW System and relevant current law.
- Part II provides background on admissions, enrollment, and graduation rates.
- Part III provides background on funding, tuition, and fees.

PART I BACKGROUND ON STRUCTURE OF THE UW SYSTEM

The UW System consists of 13 degree-granting universities and their affiliate campuses. The overall mission of the system includes the development of human resources and the discovery and dissemination of knowledge through teaching, research, public service and the provision of extended education beyond the boundaries of campus.

PURPOSE

UW System's Statutory Purpose and Mission

State law articulates the purpose and mission for the UW System. According to the statutes, the Legislature's purpose in establishing the system is to provide a system of higher education which does all of the following:

- Enables students of all ages, backgrounds, and levels of income to participate in the search for knowledge and individual development.
- Stresses undergraduate teaching as its main priority.
- Offers selected professional graduate and research programs with emphasis on state and national needs.
- Fosters diversity of educational opportunity.
- Promotes service to the public.
- Makes effective and efficient use of human and physical resources.
- Functions cooperatively with other educational institutions and systems.
- Promotes internal coordination and the wisest possible use of resources.

[s. <u>36.01 (1)</u>, Stats.]

The statutes also provide the following mission for the UW System:

[T]o develop human resources, to discover and disseminate knowledge, to extend knowledge and its application beyond the boundaries of its campuses and to serve and stimulate society by developing in students heightened intellectual, cultural and humane sensitivities, scientific, professional and technological expertise and a sense of purpose. Inherent in this broad mission are methods of instruction, research, extended training and public service designed to educate people and improve the human condition. Basic to every purpose of the system is the search for truth.

[s. 36.01 (2), Stats.]

The Wisconsin Idea

The guiding philosophy of the UW System is the "Wisconsin Idea," which is most often associated with University President Charles Van Hise and Governor (and U.S. Senator) Robert M. La Follette, Sr. The Wisconsin Idea is the concept that "the boundaries of the University are the boundaries of the state." In practice, this means making the resources of the UW System available to people across the state, not just those who are currently enrolled as students. The

Wisconsin Idea began as an effort to use the knowledge of the UW System faculty to assist the Legislature in shaping government policies, but it soon expanded to helping teachers, farmers, and people of all ages and levels of education. [s. <u>36.01</u>, Stats.; Jack Stark, The Wisconsin Idea: The University's Service to the State, in State of Wisconsin Blue Book 101 (1995-1996).]

HISTORY

The Wisconsin Constitution provides for "the establishment of a state university at or near the seat of government." [Wis. Const. art. X, s. 6.] On July 26, 1848, the Legislature formally established the University of Wisconsin (UW) "at or near the village of Madison in the county of Dane." Governance of the university was originally vested in a BOR made up of 12 members "elected by the Senate and Assembly." [Act of 1848 p. 37-40.] While the university's structure of governance changed over time, the BOR of the UW only oversaw one institution for over 100 years. Then, in 1955, the Legislature transferred the state college in Milwaukee to the UW, making the institution the UW-Milwaukee. [1955 c. 619.] A decade later, the Legislature passed a law to require the establishment of two new institutions under the governance of the UW BOR: one in "the northeastern area of this state" and one in the Kenosha-Racine area. [1965 c. 259.] The resulting institutions were UW-Green Bay and UW-Parkside.

In addition to the UW, in 1857, the Legislature created the Board of Regents of Normal Schools to establish and oversee normal schools in Wisconsin. [1857 Act 82.] Normal schools were educational institutions with the primary purpose of educating and training teachers. The Board of Regents of Normal Schools was composed of nine members appointed by the Governor by and with approval of the Senate. Between 1866 and 1916, 10 normal schools were established that would eventually become UW institutions: Platteville Normal School (1866), Whitewater Normal School (1868), Oshkosh State Normal School (1871), River Falls State Normal School (1874), Milwaukee State Normal School (1885), Superior Normal School (1893), Stevens Point Normal School (1894), La Crosse State Normal School (1909), Stout Institute (1911)¹, and Eau Claire State Normal School (1916).

In 1945, the Legislature amended the statutes to refer to the normal schools as teachers colleges. [1945 c. 20.] Then, in 1951, the Legislature redesignated the teachers colleges as "Wisconsin State Colleges" and authorized them to offer four-year liberal arts curriculum. [1951 c. 548.] The Wisconsin State Colleges underwent another name change in 1967, becoming the "Wisconsin State Universities." [1967 c. 75 s. 32.]

1971 Merger

In 1971, Wisconsin had two university systems: (1) the Wisconsin State Universities at Platteville, Whitewater, Oshkosh, River Falls, Superior, Stevens Point, La Crosse, Stout, and Eau Claire; and (2) the UW at Madison, Milwaukee, Green Bay, and Parkside. 1971 c. 100 initiated a merger between the two systems by placing both under the governance of a single, 16-member Board of Regents and directing an interim study committee to determine how the two different statutes governing each system should be merged. [1971 c. 100.] The committee's membership was as follows:

Three citizen members appointed by the Governor.

¹ The Stout Institute was not originally established as a state normal school. Beginning in 1891, with the help of the Menomonie Public Schools, James Huff Stout established a variety of schools: the Stout Manual Training School, the Kindergarten Training School, the School of Physical Culture, and the Homemaker's School. In 1908, these schools were combined into the Stout Institute. Ownership of the Stout Institute was transferred to the State of Wisconsin in 1911 when James Huff Stout died. [See https://www.uwstout.edu/about-us/mission-values/our-rich-history.]

- The president of the BOR of state universities, or his designee.
- Two members of the BOR of state universities appointed by the president of the BOR of state universities.
- The president of the BOR of the UW, or his designee.
- Two members of the BOR of the UW, appointed by the president of the BOR of the UW.
- The co-chair from each house of the Joint Committee on Finance.
- The chairs of the Assembly and Senate Committees on Education.
- One faculty member.
- One student from the former state universities.
- One student from the former UW System.

The committee was tasked with "making recommendations to the board of regents and the legislature ... on merging chapters 36 and 37 of the statutes" and making recommendations on the following:

- Faculty tenure and retirement.
- Faculty government and campus autonomy.
- The practicability, feasibility, and wisdom of merger.
- Graduate and undergraduate credit transfer policies.
- Student participation in government of the system.
- Comparable funding for comparable programs and comparable teaching loads and salaries for faculty based on comparable experience and qualifications.
- Relevant criteria for research programs.
- Uniform system-wide standards for utilization of classrooms and other facilities.
- The role, efficiencies, and economies contemplated by education television in the system.
- Year-round and evening utilization of facilities.
- Collegiate transfer course standards employed by the state's vocational technical education system.
- Admissions and tuition policies.
- The role of teaching assistants and instructors throughout the merged system.
- A complete review of savings and efficiencies effected by or contemplated by merger, so that such recommendations and studies could be applied to UW System budget determinations by the Legislature.

With the enactment of 1973 c. 335, the merger was complete; the new UW System consisted of 13 universities, 14 two-year centers, 2 and a statewide extension.

² University Center-Baraboo-Sauk County, University Center-Barron County, University Center-Fond du Lac, University Center-Fox Valley, University Center-Manitowoc County, University Center-Marathon County, University Center-Marinette County, University Center-Marshfield-Wood County, University Center-Medford County, University Center-Richland Center, University Center-Rock County, University Center-Sheboygan County, University Center-Washington County, and University Center-Waukesha County. [Wisconsin Blue Book (1975-1976).]

2018 Restructuring

In 2017, the UW System consisted of 13 four-year universities, UW-Extension, and 13 two-year colleges collectively known as UW Colleges. The BOR passed a resolution authorizing a restructure of the UW System in November 2017. Under this restructure, each two-year college would become a branch campus of one of the four-year universities. Additionally, UW-Extension would cease to be its own "campus" and would instead become part of UW-Madison and UW System Administration. UW System submitted its reorganization plan to its accreditor, the Higher Learning Commission (HLC), on January 16, 2018. On June 28, 2018, HLC approved the application and the reorganization became effective July 1, 2018.

GOVERNANCE

The Board of Regents

The UW System is governed by the BOR, which consists of 18 members:

- Fourteen citizen members appointed by the Governor and confirmed by the Senate for seven-year staggered terms.
- Two students at UW System institutions who serve two-year terms, also appointed by the Governor.
- The State Superintendent of Public Instruction.
- The president of the Wisconsin Technical College System (WTCS) Board, or by his or her designation, another member of the WTCS Board.

At least one of the 14 citizen members of the BOR must be appointed from each of Wisconsin's eight congressional districts. [s. <u>15.91</u>, Stats.]

The BOR is directed by law to: enact policies and promulgate rules for governing the UW System; plan for the future needs of the state for university education; ensure the diversity of quality undergraduate programs while preserving the strength of the state's graduate training and research centers; and promote the widest degree of institutional autonomy within the UW System. Some of the specific powers of the BOR include:

- Appointing the president of the UW System.
- Appointing the chancellor of each institution.
- Determining the educational programs to be offered by the UW System.
- Determining admission policies.
- Granting degrees.

[ss. <u>36.09</u> and <u>36.11</u>, Stats.]

The President of the UW System

As mentioned above, the president of the UW System is appointed by the BOR. The president is responsible for administering the UW System pursuant to policies adopted by the BOR. The president is also responsible for overseeing UW System Administration (UWSA) which is the central administrative office for the UW System as a whole. The purpose of UWSA is to assist the BOR and the president in all of the following:

• Establishing, monitoring, reviewing, and evaluating system-wide policies.

- Coordinating development and operation among institutions.
- Planning the programmatic, financial, and physical development of the system.
- Maintaining fiscal control and compiling and recommending educational programs, operating budgets, and building programs for the BOR.

[s. <u>36.09 (2)</u>, Stats.]

Shared Governance

The president and chancellors of the UW System are charged with the implementation of BOR policies and the administration of the institutions. [ss. 36.09 and 36.11, Stats.] Under statutory "shared governance," the faculty, academic staff, and students of each institution play a role in the governance of the UW System.

Specifically, faculty³, academic staff⁴, and students⁵ of each institution may organize themselves as they determine and may select representatives to participate in institutional governance. Each group is primarily responsible for advising the chancellor at that institution regarding the policies and procedures that concern its respective membership. While the faculty, academic staff, and students are responsible for their own governance, the decisions of the BOR, president, and chancellor generally take priority over the decisions of faculty, academic staff, and students. [s. 36.09 (3m) to (5), Stats.]

ORGANIZATIONAL OVERVIEW

Campuses

The UW System consists of 13 universities and affiliated campuses located throughout the state. UW-Madison and UW-Milwaukee are doctoral campuses that offer bachelor's, master's, doctoral, and advanced professional degrees, and conduct organized programs of research. The other 11 four-year campuses are known as "comprehensive campuses." They generally offer associate, bachelor's, and select graduate programs. These campuses are UW-Eau Claire, UW-Green Bay, UW-La Crosse, UW-Oshkosh, UW-Parkside, UW-Platteville, UW-River Falls, UW-Stevens Point, UW-Stout, UW-Superior, and UW-Whitewater.

The 12 affiliate campuses in operation in the 2023-24 academic year include:

- UW-Eau Claire Barron County
- UW-Green Bay Manitowoc
- UW-Green Bay Marinette
- UW-Green Bay Sheboygan
- UW-Milwaukee at Washington County
- UW-Milwaukee at Waukesha

- UW-Oshkosh Fond du Lac
- UW-Oshkosh Fox Valley
- UW-Platteville Baraboo Sauk County
- UW-Stevens Point at Wausau
- UW-Stevens Point at Marshfield
- UW-Whitewater at Rock County

³ "Faculty" means individuals who hold the rank of professor, associate professor, assistant professor, or instructor in an academic department or its functional equivalent in an institution and such academic staff as may be designated by the chancellor and faculty of the institution. [s. 36.05 (8), Stats.]

⁴ "Academic staff" means professional and administrative personnel with duties, and subject to types of appointments, that are primarily associated with higher education institutions or their administration. [s. 36.05 (1), Stats.]

⁵ "Student" means any individual who is registered for study in any UW System institution for the current academic period. [s. 36.05 (11), Stats.]

PART II ADMISSIONS, ENROLLMENT, AND GRADUATION

ADMISSIONS AND ENROLLMENT

Minimum Admissions Criteria

Specific admission policies for each UW institution are developed by the individual campuses, taking into account that campus's mission and resources and guidance from the BOR. However, in order to qualify for admission to any UW System institution as a freshman, an applicant must be a graduate of a recognized high school or complete the requirements for a high school equivalency certificate or diploma. All UW System institutions require a minimum of 17 high school credits in specified subjects. As an alternative, a student who attended a high school that has a nontraditional curriculum may submit a UW System competency-based admission profile. Applicants must also submit American College Test (ACT) or Scholastic Aptitude Test (SAT) scores. Individual institutions have discretion to waive one or more of the minimum requirements for particular applicants when appropriate. [Regent Policy Document 7-3.]

Guaranteed Admissions

Under current law, the UW System is required to guarantee admission to the UW System institution of an applicant's choosing, except UW-Madison, if one of the following criteria apply:

- The applicant is enrolled in a public, private, or tribal high school in Wisconsin and is ranked in the top 10 percent of the applicant's high school class.
- The applicant is homeschooled or enrolled in a virtual private school and achieves an ACT examination score that places the applicant in the national 90th percentile ranking or higher.
- The applicant is a National Merit Scholarship finalist.

The UW System is required to guarantee admission to UW-Madison to any applicant who meets one of the following criteria:

- The applicant is enrolled in a public, private, or tribal high school in Wisconsin and is ranked in the top five percent of the applicant's high school class.
- The applicant is homeschooled or enrolled in a virtual private school and achieves an ACT examination score that places the applicant in the national 98th percentile ranking or higher.⁶
- The applicant is a National Merit Scholarship finalist.

[s. <u>36.11 (3m)</u>, Stats.]

Acceptance Rates by Campus

The following table provides the rate of acceptance at each UW institution. The acceptance rate is the percentage of individuals submitting an application who were accepted for admission in the upcoming academic year. The acceptance rate at UW-Madison has the lowest admission rate and UW-Milwaukee has the highest rate.

⁶ In 2023, this would mean an ACT score of 33 or higher. [https://www.act.org/content/dam/act/unsecured/documents/MultipleChoiceStemComposite.pdf.]

Campus	Acceptance Rate ⁷
UW-Madison	49%
UW-Milwaukee	95%
UW-Eau Claire	85%
UW-Green Bay	91%
UW-La Crosse	82%
UW-Oshkosh	89%
UW-Parkside	90%
UW-Platteville	88%
UW-River Falls	85%
UW-Stevens Point	89%
UW-Stout	85%
UW-Superior	83%
UW-Whitewater	93%

Enrollments by Campus in the 2023-24 Academic Year⁸

Campus	Resident	Non- Resident	Reciprocity 9	Total
UW-Madison	23,204	23,713	3,418	50,335
UW-Milwaukee	17,492	4,118	100	21,710
UW-Milwaukee at Washington County	279	6	0	285

⁷ According to U.S. News and World Report's 2024 College Rankings.

⁸ This data includes all enrollments, undergraduate and graduate, by a headcount (rather than FTE). [https://www.wisconsin.edu/education-reports-statistics/enrollments/.]

⁹ For all the UW System institutions in this table except for UW-Green Bay, this refers to students who are attending that UW System institution through the Minnesota-Wisconsin reciprocity agreement. For UW-Green Bay, this refers to students attending UW-Green Bay through either the Minnesota-Wisconsin reciprocity agreement or through the Michigan compact, whereby students who reside in certain counties in Michigan are eligible for resident tuition at UW-Green Bay.

Campus	Resident	Non- Resident	Reciprocity	Total
UW-Milwaukee at Waukesha County	686	22	0	708
UW-Eau Claire	5,873	1,091	2,522	9,486
UW-Eau Claire-Barron County	405	35	23	463
UW-Green Bay	8,228	944	114	9,286
UW-Green Bay, Manitowoc Campus	383	21	0	404
UW-Green Bay, Marinette Campus	173	10	30	213
UW-Green Bay, Sheboygan Campus	420	15	0	435
UW-La Crosse	8,146	667	1,462	10,275
UW-Oshkosh	11,882	1,049	32	12,963
UW-Oshkosh Fond du Lac	245	7	0	252
UW-Oshkosh Fox Cities	452	111	0	563
UW-Parkside	3,277	749	4	4,030
UW-Platteville	4,754	1,635	101	6,490
UW-Platteville Baraboo Sauk County	195	15	0	210
UW-River Falls	2,709	310	2,039	5,058
UW-Stevens Point	6,526	697	314	7,537
UW-Stevens Point at Marshfield	273	8	2	283

Campus	Resident	Non- Resident	Reciprocity 9	Total
UW-Stevens Point at Wausau	357	5	2	364
UW-Stout	4,379	906	1,653	6,938
UW-Superior	1,684	348	689	2,721
UW-Whitewater	8,715	2,069	42	10,826
UW-Whitewater at Rock County	649	47	0	696

TRANSFERS

General Principles Governing Transfers

Admission of students to UW System institutions from other institutions of higher education is based on comprehensive, individualized admission review, consistent with the process for freshman admission. In awarding transfer credit, UW System institutions consider the quality and comparability of the transfer student's coursework, and the applicability of that work to the receiving institution's degree requirements. In determining the amount of transfer credits, the BOR directs UW System institutions to provide transfer students the same opportunities as continuing students to demonstrate their competence through use of internally or externally developed tests, portfolio assessment procedures, and other competency-based alternatives.

In addition, students who transfer to a UW System four-year institution with an associate degree from a UW System two-year institution are considered to have satisfied university, college, or school general education requirements at the transfer campus.

Most UW System institutions require all students to complete a specific number of credits at that institution to obtain a degree. Transfer students are responsible for fulfilling these credit requirements.

Upon being admitted to an institution, transfer students receive a credit evaluation showing how transferred courses equate to courses at their new campus. Students have the right to appeal credit evaluations. [Regent Policy Document 7-1; UW System Administrative Policy 135.] For more information regarding the transfer of credits, see the UW System *Transfer Wisconsin* website at: https://www.wisconsin.edu/transfer/frequently-asked-questions/.

Universal Credit Transfer Agreement (UCTA)

Wisconsin law requires the BOR and the WTCS Board to enter into and implement an agreement that identifies 72 credits¹⁰ of core general education courses that will be transferable between and within each institution participating in the agreement. While the BOR and WTCS Board are required to enter into the UCTA, the state's tribal colleges and members of the

¹⁰ The current law requirement for 72 transferrable general education course credits applies beginning in the 2022-23 academic year. Prior law required 30 transferrable credits by the 2014-15 academic year.

Wisconsin Association of Independent Colleges and Universities (WAICU) are authorized to participate in the agreement as well. The credits must be transferable without loss of credit towards graduation or toward completion of a specific course of study. [s. <u>36.31 (2m)</u>, Stats.] More information about the agreement is available at:

http://www.wisconsin.edu/transfer/universal-transfer/.

DUAL ENROLLMENT

High school students in Wisconsin have a variety of opportunities to earn college credit while in high school, including Advanced Placement (AP) courses, International Baccalaureate (IB) programs, and dual enrollment. As AP courses and IB programs are conducted by nonprofit organizations separate from state institutions of higher education, this section will focus on the dual enrollment options available to Wisconsin high school students.

Early College Credit Program

The Early College Credit Program (ECCP) permits students in grades 9 to 12 enrolled in a public, private, or independent charter school to attend and earn credit at an institution of higher education in Wisconsin. This includes UW System institutions, tribal colleges, and private nonprofit institutions of higher education. An eligible student may participate in ECCP at either no cost or a reduced cost, depending on whether the student earns postsecondary credit, high school credit, or both, and whether the student's school district or private school offers a comparable course. [s. <u>118.55</u>, Stats.]

The cost of a student's participation in ECCP is shared by the student, the student's school board or governing body, and the Department of Workforce Development (DWD). The proportion each pays depends on whether the student takes the course for high school credit, post-secondary credit, or both, and whether the student's school offers a comparable course:

Postsecondary Credit	High School Credit	Comparable Course Offered	Student Pays	School Board or Governing Body Pays	DWD Pays
X			25%	25%	50%
	X		0%	75%	25%
X	X		0%	75%	25%
	X	X	100%	0%	0%
X	X	X	100%	0%	0%

[s. <u>118.55</u> (5) and (6), Stats.]

College Courses in High School

The concurrent enrollment program offered by the UW System is College Courses in High School (CCIHS). Through CCIHS, Wisconsin high schools contract with UW System institutions to provide postsecondary courses at high schools. High school faculty who teach CCIHS courses must have at least a master's degree in their area of instruction; however, the contracting UW System institution may make an exception for high school faculty with a master's degree in a different, related area of instruction. Additionally, participating high school faculty must meet all the institutional and university departmental standards for adjunct instructors.

Participating UW System institution departments ensure the quality of CCIHS courses in their subject matter by reviewing and approving CCIHS course syllabi, examinations, and grading criteria. Additionally, the appropriate academic department from the contracting UW System institution works closely with high school faculty to assist with course delivery.

Student eligibility criteria for participation is determined by each UW System institution in collaboration with the participating high school. Credits earned through CCIHS are subject to the UW System Undergraduate Transfer Policy.¹¹

Students pay for their participation in CCIHS courses at a reduced per-credit rate. ¹² The contracting UW System institution provides a reimbursement to the contracting school district for costs incurred by the school district in providing instruction for CCIHS courses. [<u>UW System Administrative Policy 185</u>.]

High School Specials Program

Through the "high school specials" program, UW System institutions allow academically talented high school juniors and seniors to enroll in on-campus courses and earn postsecondary credit while still in high school. Students must apply directly to the institution they wish to attend and each institution's special student admissions guidelines are unique. Participating students pay the same tuition, fees, and textbook costs as undergraduates at the institution they are attending and are not eligible for financial aid.¹³

¹¹ https://www.wisconsin.edu/uw-policies/uw-system-administrative-policies/uw-system-undergraduate-transfer-policy/

¹² According to UW System Administrative Policy 185, "UW System institutions will assess the full per credit, resident, undergraduate tuition rate for college credits in high schools less a reimbursement to the school districts for costs incurred by the districts in providing instruction for these courses. After this reimbursement, at UW System four-year institutions students will pay no less than 50% of the full per credit resident undergraduate tuition rate of the lowest UW System institution and no more than 50% of the full per credit resident undergraduate tuition rate of the UW System four-year institution offering the course. For branch campuses, students will pay no less than 50% of its full per credit resident undergraduate tuition rate and no more than 50% of the lowest full per credit resident undergraduate tuition rate of UW System comprehensive institutions. This policy does not pertain to dual enrollment programs taught by UW faculty or staff members in high schools."

¹³ https://www.wisconsin.edu/student-resources/high-school/.

2023 GRADUATION RATES BY CAMPUS¹⁴

Undergraduate graduation rates are generally measured by either the percentage of students who graduate four years after first enrolling or six years after first enrolling. The following chart provides both four-year and six-year undergraduate graduation rates for each campus.

Campus	Four-Year Graduation Rate – Same Campus ¹⁵	Four-Year Graduation Rate – Any UW System Campus ¹⁶	Six-Year Graduation Rate – Same Campus ¹⁷	Six-Year Graduation Rate - Any UW System Campus ¹⁸
UW-Madison	75.7%	76.1%	89.3%	90.6%
UW-Milwaukee	30.6%	32.9%	51.2%	55.2%
UW-Eau Claire	43.2%	46.3%	67.6%	73.3%
UW-Green Bay	34.8%	37.5%	54.6%	60.8%
UW-La Crosse	53.5%	58.1%	71.2%	79.0%
UW-Oshkosh	27.1%	30.2%	57.9%	64.6%
UW-Parkside	24.6%	27.6%	39.8%	48.4%
UW-Platteville	33.5%	34.9%	61.5%	65.7%
UW-River Falls	43.6%	45.3%	60.8%	63.8%
UW-Stevens Point	38.2%	41.0%	56.0%	61.8%
UW-Stout	29.4%	31.0%	52.5%	56.5%
UW-Superior	26.5%	27.1%	44.1%	46.8%
UW-Whitewater	39.6%	41.0%	64.3%	68.9%

_

¹⁴ https://www.wisconsin.edu/accountability/progress-and-completion/.

¹⁵ The percentage of new freshman who enrolled at that campus in the 2019 fall semester and graduated with a bachelor's degree from that same campus by 2023.

¹⁶ The percentage of new freshman who enrolled at that campus in the 2019 fall semester and graduated with a bachelor's degree from any UW System campus by 2023.

¹⁷ The percentage of new freshman who enrolled at that campus in the 2017 fall semester and graduated with a bachelor's degree from that same campus by 2023.

¹⁸ The percentage of new freshman who enrolled at that campus in the 2017 fall semester and graduated with a bachelor's degree from any UW System campus by 2023.

PART III FUNDING, TUITION, AND FEES

FUNDING OVERVIEW

The UW System is funded by a combination of state general purpose revenue (GPR), tuition revenues, federal grants and contracts, auxiliary operations, gifts and grants, operational receipts¹⁹, indirect cost reimbursements²⁰, and services provided to the UW Hospital and Clinics Authority (UWHCA).²¹

UW System Operating Budget 2023-24 Fiscal Year²²

Source of Funds	Amount	Percent
State GPR	\$1,314,902,808	17.5%
Tuition	\$1,774,195,332	23.6%
Federal Grants and Contracts	\$1,605,529,987	21.3%
Auxiliary Operations	\$1,073,436,555	14.3%
Gifts and Trust Income	\$828,588,479	11.0%
Operational Receipts	\$640,034,458	8.5%
Indirect Cost Reimbursement	\$240,759,965	3.2%
Services Provided to UWHCA	\$55,000,000	0.7%
TOTAL	\$7,532,447,584	100.0%

Funding via tuition and fees is described in detail below. For more information on how the UW System is funded, generally, please see Legislative Fiscal Bureau, <u>University of Wisconsin System Overview</u>, Informational Paper 36 (Jan. 2023).

RESIDENCY DETERMINATIONS AND TUITION

The chancellor of each institution is required to develop procedures for residency determinations and provide for appeals from classifications of nonresidency. The appeals process must include the right to a hearing. Residency decisions are also subject to judicial review. [Regent Policy Documents 32-1 and 32-8; ch. UWS 20, Wis. Adm. Code.]

Generally, to be considered a resident for tuition purposes, an adult student must have been a resident of Wisconsin for the 12 months prior to the beginning of the semester or session for

¹⁹ According to the Legislative Fiscal Bureau, operational receipts are fees for services, including fees charged for non-credit outreach programs.

²⁰ According to the Legislative Fiscal Bureau, indirect cost reimbursements are federal money for indirect costs related to grants and contracts.

²¹ The UWHCA is an entity that is legally separate from the UW System. [See <u>ch. 233</u>, Stats.] The amount in the operating budget for services provided to UWHCA represents expenditures by UW-Madison that are reimbursed by UWHCA.

²² An earlier version of this staff brief contained data for the 22-23 Fiscal Year. On the same day it was published, the staff brief was updated to instead include information for the 23-24 Fiscal Year.

which the student registers. For a minor student, the same requirement applies to his or her parent or parents. In determining residency, the intent of the person to establish and maintain a permanent home in Wisconsin is determinative.

There are several exceptions to this requirement, including special provisions for migrant workers and their children, members of the Armed Forces stationed in Wisconsin and their families, persons who relocated to Wisconsin for employment purposes, and persons who are refugees, among others. [s. 36.27 (2), Stats.; ch. UWS 20, Wis. Adm. Code.]

Subject to certain exceptions, nonresidents must pay the nonresident tuition rate. Nonresident students are charged tuition in excess of instructional costs, thus subsidizing resident students. The amount charged for nonresident tuition is not subject to any statutory limits.

Tuition Freeze History

State law included a tuition freeze from 2013 to 2021, which prevented the UW System from increasing resident undergraduate tuition rates. In response to concerns regarding the UW System's program revenue balances, the Legislature prohibited the BOR from increasing tuition for resident undergraduates as part of the 2013 biennial budget. [2013 Wisconsin Act 20 s. 9148 (4n).]²³ This tuition freeze continued in the 2015, 2017, and 2019 budgets. [2015 Wisconsin Act 55, s. 9148 (4); 2017 Wisconsin Act 59, s. 9148 (3t); and 2019 Wisconsin Act 9, s. 9147 (1).]

The 2021 budget did not include a prohibition on the BOR increasing resident undergraduate tuition. In March 2023, the BOR voted to increase resident undergraduate tuition by an average of 5.1 percent beginning in the 2023-2024 school year.²⁴ On April 4, 2024, the BOR voted to again increase resident undergraduate tuition by 3.75 percent at each campus.²⁵

DIFFERENTIAL TUITION

Under Wisconsin law, the BOR may generally establish differing tuition and fees for different classes of students, such as undergraduates, graduate students, and nonresident students. The BOR may also establish special tuition rates and fees, known as "differential tuition" for particular studies or courses of instruction. [s. 36.27 (1) (a), Stats.]

SEGREGATED FEES

All UW System institutions assess students segregated fees that finance student activities, services, and programs, which are separate from and in addition to tuition charges. Unlike tuition rates, segregated fees are determined on an institution-by-institution basis.

²³ For more information on the status of the UW System's program revenue balances at the time, as well as the options put before the legislature, see Legislative Fiscal Bureau, *PR Appropriation Balances*, Budget Paper 675 (May 23, 2013).

²⁴ Specifically, the BOR approved a tuition increase of 4 percent at UW-Madison, 4.5 percent at UW-Milwaukee, 3.7 percent at UW-Eau Claire, 7.4 percent at UW-Green Bay, 5.1 percent at UW-La Crosse, 6 percent at UW-Oshkosh, 4.5 percent at UW-Parkside, 6.4 percent at UW-Platteville, 6.4 percent at UW-River Falls, 6.2 percent at UW-Stevens Point, 4.5 percent at UW-Stout, 4.5 percent at UW-Superior, and 4.5 percent at UW-Whitewater. [See Board of Regents Meeting Record (March 30, 2023) and Meeting Book for Board of Regents Business & Finance Committee (March 30, 2023).]

²⁵ https://www.wisconsin.edu/news/archive/board-of-regents-approves-tuition-increases-for-2024-25-day-1-news-

summary/#:~:text=%E2%80%93%20The%20Universities%20of%20Wisconsin%20Board,years%20of%20a%20tuition%20freeze.

State law does not specifically authorize UW System institutions to assess segregated fees. Rather, this function falls within the BOR statutory authority to govern the UW System and the administrative authority granted by statute to the UW System president and chancellors. Section 36.09 (5), Stats., gives students responsibility for the disposition of "those student fees which constitute substantial support for campus student activities." UW System and BOR policies define how this statutory student role is implemented. These policies also define the services and activities for which segregated fees can be used.

Allocable and Nonallocable Fees

The total segregated fee amount students must pay consists of allocable and nonallocable fees. According to BOR policies, allocable fees are those fees that provide substantial support for campus student activities and services and that are allocated by students, in consultation with the chancellor and subject to the final confirmation of the BOR, in accordance with s. 36.09 (5), Stats. Acceptable uses of allocable fees include expenditures for student organizations, concerts, lectures, and bus passes.

As the statutes specifically give students responsibility for disposition of "those student fees which constitute substantial support for campus student activities," it is understood that s. 36.09 (5), Stats., refers to allocable segregated fees and generally precludes the UW institutions from using these fees for anything other than campus student activities.

BOR policies define nonallocable fees as those fees that are used to support long-term commitments for fixed financial obligations, ongoing operating costs of university owned or controlled buildings, and similar commitments for student unions, health centers, child care centers, and recreational sports centers.

The student group organized at each UW institution to engage in the allocation process is referred to as the Student University Fee Allocation Committee. The student members are generally representatives selected from the institution's student government association. Chancellors consult with their institution's Student University Fee Allocation Committee when defining the allocable and nonallocable portions of the segregated fees. Fees must be allocated in a way that maintains viewpoint neutrality. [See *Board of Regents v. Southworth*, 529 U.S. 217 (2000) and *Fry v. Bd. of Regents of the Univ. of Wis. Sys.*, 2001 U.S. Dist. LEXIS 3346, slip op. at 4 (W.D. Wis. 2001).]

PROGRAMS RELATED TO TUITION

State law creates tuition and fee remission programs that require the UW System to charge lower costs to qualifying students than apply to other students.

Fee Remissions

Veterans or family members of those killed or injured in protective service work may qualify for full or partial tuition and fee remission. For example, tuition remission is available, under certain circumstances, for the children and surviving spouse of an ambulance driver, correctional officer, fire fighter, emergency medical services technician, or law enforcement officer who was killed in the line of duty or as the result of a duty disability in Wisconsin. [s. 36.27 (3m), Stats.]

Tuition and segregated fees remission is available for veterans who satisfy certain residency and service requirements. Likewise, tuition and segregated fees remission is available, under certain circumstances, for the children and surviving spouse of a veteran who, while a resident of this state, died on active duty, died as the result of a service-connected disability, died in the line of

duty while on active or inactive duty for training purposes, or was awarded at least a 30 percent service-connected disability rating under federal law. [s. <u>36.27 (3n)</u> and <u>(3p)</u>, Stats.; <u>20 U.S.C. s.</u> 1015d.]

Return to Wisconsin

Nonresidents may receive a 25 percent waiver of nonresident tuition under the "Return to Wisconsin" program. To be eligible, a parent, grandparent, or legal guardian must have graduated from the institution where the student will enroll. Participating UW campuses are UW-Eau Claire, UW-Green Bay, UW-La Crosse, UW-Oshkosh, UW-Parkside, UW-River Falls, UW-Stevens Point, UW-Stout, and UW-Whitewater.

Reciprocity

The Minnesota-Wisconsin reciprocity agreement allows residents of each state to attend public postsecondary institutions in the other state without having to pay nonresident tuition. Participating students pay a reciprocal fee that cannot exceed the higher of the two states' resident tuition rates. Under the agreement, a student generally pays the higher of the resident tuition charged by the institution attended or by its comparable institution in the other state. The reciprocity agreement is negotiated and administered jointly by the BOR and the Minnesota Higher Educational Services office. Wisconsin law specifies that the agreement is subject to the approval of the Joint Committee on Finance. While the current agreement does not contain a specific expiration date, it may be modified at any time upon mutual agreement of both states. [s. 36.27 (2r), Stats.]

There are also reciprocal tuition agreements for residents of Wisconsin and Michigan enrolled in specific institutions in those states. For more information, see http://heab.state.wi.us/programs.html#RECIP.

Midwest Student Exchange Program

Currently, 11 UW System campuses and nine affiliated campuses participate in the Midwest Student Exchange Program (MSEP), which allows students from a participating state to attend public colleges or universities in other participating states at a tuition of no more than 150 percent of resident tuition. Wisconsin joined MSEP in 2005. UW campuses individually determine whether they will participate and identify factors for admission of students through MSEP. [s. 39.80, Stats.]