

University of Wisconsin Tuition

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Introduction

Higher education benefits both the student and the state. The student benefits primarily through increased knowledge and future earnings while the state benefits through greater tax revenues, increased economic development, and decreased spending on health and social programs, among other less tangible benefits. The precise amount of these benefits that accrue to the state, as opposed to the student, cannot readily be determined. As a result, the amount of state support for higher education and subsequently the amount of tuition charged to students is a matter of public policy. Factors that may be considered in setting tuition include: whether or not students are paying their fair share; whether higher education is affordable for all state residents; how tuition levels compare to those of similar institutions in other states; and whether the amount of the state subsidy is consistent with the perceived priority of public higher education in the larger context of the state's needs. This paper describes the process by which tuition levels are set, tuition history and policies, the causes of tuition increases, comparisons of tuition to instructional costs and to tuition charged in other states, and other tuition-related issues.

Background

The Board of Regents of the University of Wisconsin System is delegated the authority to set tuition under s. 36.27 of the statutes. The statutes permit the Regents to set separate rates for different classes of students, for residents and nonresidents, and for extension courses, summer sessions, and special programs. Statutes limit the amount by which resident undergraduate tuition can be increased; however, there are no restrictions

on the amount of tuition increases the Regents may impose on graduate, nonresident, and other students.

Tuition rates are established annually at the same time as the University's annual operating budget is approved. Separate rates are set for students at UW-Madison, UW-Milwaukee, the comprehensive campuses, and the UW Colleges. Table 1 shows the tuition schedule, including tuition differentials and segregated fees, for 2008-09.

Tuition typically supports only the "instructional" portion of the UW budget. Instructional costs include faculty salaries and fringe benefits, which comprise the largest portion of instructional costs, supplies and services, administration, libraries, student services, and support costs. Exceptions to this occurred in the 1997-99, 1999-01, and 2001-03 state budgets, when the University was allowed to use tuition revenues to support the unfunded portion of the compensation plan for faculty and academic staff, which included compensation increases for faculty and academic staff whose time was spent on activities other than instruction.

Tuition and the Budget Process

Changes in tuition are the result of changes in costs as well as changes in GPR-support for the University, the Board's tuition revenue authority, and other factors. As levels of GPR-support and tuition revenue authority are determined by the Legislature during the biennial budget process, tuition levels indirectly enter into the budget process. In past biennia, budget discussions related to tuition have focused on the amount of revenue that could be generated from tuition, resulting increases in tuition, the percentages of instructional costs that should be paid by students, and comparisons with other universities or states.

Table 1: UW System Consolidated Schedule of Tuition and Segregated Fees – 2008-09

	<u>Tuition</u>		Segregated Fees Paid by all Students **	<u>Total Tuition and Fees</u>	
	Residents	Nonresidents		Residents	Nonresidents
DOCTORAL CLUSTER					
Undergraduate					
Madison	\$6,678	\$20,928	\$886	\$7,564	\$21,814
Milwaukee	6,531	16,259	774	7,305	17,033
Graduate					
Madison	\$9,132	\$24,054	\$886	\$10,018	\$24,940
Milwaukee	8,826	22,852	774	9,600	23,626
Law	13,840	33,764	886	14,726	34,650
Medical School	22,212	33,336	886	23,098	34,222
Veterinary Medicine	16,330	24,402	886	17,216	25,288
COMPREHENSIVE CLUSTER					
Undergraduate					
Eau Claire	\$5,240	\$12,813	\$785 *	\$6,025	\$13,598
Green Bay	5,084	12,657	1,224	6,308	13,881
La Crosse	5,643	13,216	848 *	6,491	14,064
Oshkosh	5,194	12,767	843	6,037	13,610
Parkside	5,084	12,657	984	6,068	13,641
Platteville	5,184	12,757	823 *	6,007	13,580
River Falls	5,156	12,729	921 *	6,077	13,650
Stevens Point	5,084	12,657	981 *	6,065	13,638
Stout	5,338	12,912	654 *	5,992	13,566
Superior	5,234	12,807	1,068	6,302	13,875
Whitewater	5,262	12,835	766 *	6,028	13,601
Graduate					
Eau Claire	\$6,426	\$16,771	\$785	\$7,211	\$17,556
Green Bay	6,426	16,771	1,224	7,650	17,995
La Crosse	6,485	16,830	848	7,333	17,678
Oshkosh	6,426	16,771	843	7,269	17,614
Parkside	6,426	16,771	984	7,410	17,755
Platteville	6,426	16,771	823	7,249	17,594
River Falls	6,426	16,771	921	7,347	17,692
Stevens Point	6,426	16,771	981	7,407	17,752
Stout	6,748	17,093	654	7,402	17,747
Superior	6,426	16,771	1068	7,494	17,839
Whitewater	6,426	16,771	766	7,192	17,537
COLLEGES					
Baraboo/Sauk	\$4,268	\$11,252	\$373	\$4,641	\$11,625
Barron	4,268	11,252	290 *	4,558	11,542
Fond du Lac	4,268	11,252	316	4,584	11,568
Fox Valley	4,268	11,252	230	4,498	11,482
Manitowoc	4,268	11,252	297	4,565	11,549
Marathon	4,268	11,252	262	4,530	11,514
Marinette	4,268	11,252	268	4,536	11,520
Marshfield/Wood	4,268	11,252	331	4,599	11,583
Richland	4,268	11,252	300 *	4,568	11,552
Rock	4,268	11,252	290	4,558	11,542
Sheboygan	4,268	11,252	275	4,543	11,527
Washington	4,268	11,252	314	4,582	11,566
Waukesha	4,268	11,252	288	4,556	11,540

*There is an additional charge of \$123-\$172 for textbook rental on these campuses; on all other campuses, books are purchased by students directly.

** Excludes United Council of UW Student Government's non-mandatory fee assessment.

The budget process begins with the UW System's biennial budget request which is approved by the Regents in August of even-numbered years. Most requests for instructional funding included in the UW System's budget request reflect a sharing of costs between student fees and state general purpose revenues (GPR). Following the Regent tuition policy principles, which are shown in the appendix to this paper, the Regents generally request that instructional and related items be funded using a 65% GPR/35% fees (tuition) split. Because this cost-sharing is not statutory, the Regents are free to propose changes in the ratio of fees to GPR and have done so in prior budgets.

During the budget process, the Governor and Legislature may either approve the GPR/fee split requested by the Regents by providing the amount of GPR funding requested or alter the split by providing a different level of GPR support. Due to the relationship between tuition, GPR support, and costs, when the amount of GPR provided is greater than requested by the Regents, increases in tuition are generally smaller. When the amount of GPR provided is less than requested, increases in tuition will be larger.

Although the statutes provide that tuition is set by the Board of Regents, in some biennia, including 1999-01, 2001-03, and 2003-05, budgets have included provisions that directly affected tuition rates. For example, in the 1999-01 state budget (1999 Act 9), the Legislature provided \$28 million GPR in 2000-01 to the University to fund a one-year freeze in resident undergraduate tuition. The 2001-03 state budget (2001 Act 16) required the UW Board of Regents to impose a 5% tuition increase for nonresident undergraduates during each year of the 2001-03 biennium. The 2001-03 budget adjustment act (2001 Act 109) limited tuition increases for resident undergraduates to 8% in 2002-03. The 2003-05 budget (2003 Act 33), stipulated that the Regents could not increase annual tuition by more than \$700 for resident undergraduates at UW-Madison and UW-Milwaukee or by more than \$500 for other resident undergraduate UW students dur-

ing the 2003-04 and 2004-05 academic years.

Once a systemwide tuition revenue target is established by the Legislature in the state budget, the Board of Regents determines tuition for the different classes of students, as defined by resident status and academic level. For each institution, an estimate is made of the number of anticipated full-time equivalent (FTE) students by student class based on enrollment in the previous year and long-term enrollment targets. These estimates are then used to determine the amount by which tuition should be increased in order to meet the tuition revenue target. In preparing the final tuition schedule, the Regents have the authority to alter the relative proportion of the burden borne by a particular class of students. As a result, tuition increases often vary from one class of students to another: for example, in 2008-09, resident undergraduates enrolled at the four-year campuses experienced a 5.5% tuition increase, while tuition for undergraduates at the UW Colleges and nonresident graduate students did not increase at all.

When collected, tuition revenues up to the amount appropriated are pooled systemwide and allocated to the institutions based on their prior year budgets and any additional funding provided by the Legislature. Under current policy, any tuition revenues collected by an institution in excess of that institution's tuition revenue target is retained by the campuses. If tuition revenues fall below the target due to lower than expected enrollment, the individual campus is responsible for the shortfall. Revenues from differential tuition approved by the Board of Regents is also retained by the campus.

Appropriations for Academic Student Fees

Tuition revenues are deposited in the UW System's appropriation for academic student fees, also known as the tuition appropriation. This appropriation includes revenue generated by tuition during the normal academic year as well as other charges. In 2008-09, it is estimated that normal aca-

demographic year tuition will account for 94.7% of all revenues deposited in this appropriation. The remainder will be generated by summer school fees (3.8%); the application fee (0.6%); special fees for law students, pharmacy students, and nonresident undergraduates at Madison (0.4%); and an accounts receivable allotment (0.4%). Due to these other types of fees, a 5% increase in the appropriation expenditure level would not necessarily translate into an average 5% academic year tuition increase.

Prior to 1997, the tuition appropriation was an annual appropriation. This limited the amount of tuition revenue the Board of Regents could spend to the amount shown in the appropriation schedule plus the tuition portion of the pay plan as approved by the Joint Committee on Employment Relations (JCOER). The expenditure of any excess tuition revenue collected had to be approved by the Secretary of the Department of Administration and the Joint Committee on Finance. Excess tuition revenues collected could be carried into the next academic year to buy down tuition increases. In 1997, the appropriation was modified to permit the UW System to spend excess tuition revenues up to 4% of the appropriation shown in the schedule in 1997-98 and up to 7% in 1998-99.

Under 1999 Act 9, the UW System's tuition appropriation was changed to an all monies received continuing appropriation. This means that the University may expend all monies received under the appropriation without limit and without the prior approval of the Legislature or the Joint Committee on Finance. In addition, Act 9 required the Board to report, annually by December 15, on the amount by which expenditures from the tuition revenue appropriation in the previous fiscal year exceeded the amount shown in the appropriation schedule, the purposes for which the additional revenues were spent, and the amount spent for each purpose. In 2007-08, expenditures from the

academic student fee appropriation exceeded the estimate in the appropriation schedule by \$22.9 million; these expenditures included \$10.3 million in compensation related expenditures, \$7.7 million in encumbrances from 2006-07, and \$4.9 million resulting from unanticipated increases in differential tuition.

Act 9 also established certain limits on the amount by which the Board of Regents could increase tuition charged to resident undergraduate students. Under current law, the Board of Regents is prohibited from increasing tuition for these students beyond an amount sufficient to fund all of the following: (a) in an odd-numbered year, the highest amount shown in the appropriation schedule for the tuition appropriation for that year in the Joint Finance Committee version of the budget bill, the engrossed budget bill, or the enrolled budget bill; (b) in an even-numbered year, the amount shown in the appropriation schedule for the tuition appropriation; (c) the approved recommendations of the Director of the Office of State Employment Relations for compensation and fringe benefits for classified and unclassified staff; (d) the projected loss in revenue caused by a change in the number of enrolled undergraduate, graduate, resident and nonresident students from the previous year; (e) state-imposed costs not covered by GPR as determined by the Board; (f) distance education, inter-session, and nontraditional courses; and (g) differential tuition that is approved by the Board but not included in the tuition appropriation. The Board is required to report its determination of state-imposed costs under (e) annually to the Secretary of Administration.

In addition to the appropriation for academic student fees, there are appropriations for revenues generated by special fees charged to master's level business students (\$607,900), special fees charged to support the modernization of laboratories (\$4,405,400), and for tuition charged by the UW-Extension (\$33,641,200).

Tuition History

Prior the 1980-81 academic year, the Board of Regents established tuition rates by applying a set percentage to the total cost per student. This percentage varied by student class (undergraduate or graduate), residency status, and, in some years, the type of institution. In general, resident undergraduate tuition was set at 25% of total cost per student and nonresident undergraduate tuition was set at 100% of cost. Resident graduate tuition rates ranged from 20% to 22% of cost while nonresident graduate tuition was set at 70% of cost. As these percentages were not statutorily fixed, there was some variance in the percentages used from year to year.

Beginning in 1980-81, the percentage of cost per student that is funded through tuition has increased incrementally. This has happened as the Board of Regents has increased tuition to offset GPR budget reductions, the Legislature has funded certain instructional items entirely through tuition revenues, and tuition revenues have increased as the result of higher enrollments without subsequent increases in the amount of GPR funding.

In 1993-94, an instructional technology fee was implemented at UW-Madison. This decoupled the Madison and Milwaukee tuition rates; prior to that time, students at Madison and Milwaukee had been charged the same tuition. In 1995-96, the technology fee was extended to Milwaukee and the eleven comprehensive campuses.

Between 1996-97 and 2002-03, the Board of Regents adopted two differential tuition initiatives with the aim of increasing UW Colleges tuition first to 87% of tuition charged at the comprehensive campuses and then to within \$300 of the tuition charged by the comprehensives.

Through the 2003-05 biennium, tuition levels were based on long-term enrollment management plans established by the Regents. After GPR fund-

ing for the University was reduced by \$250 million in the 2003-05 state budget (2003 Act 33), the University suspended the use of these enrollment management plans for budgeting purposes. Beginning in the 2005-07 biennium, enrollment targets have been set by the UW System President in consultation with the chancellor of each campus on a biennial basis.

Tuition in Recent Biennia

In the 2005-07 and 2007-09 biennia, the Board of Regents set tuition levels by first determining the desired increase in percentage terms for resident undergraduate students and then applying the corresponding dollar amounts to all other students within the same institution or institutional class. For example, in 2008-09, resident undergraduate tuition at the comprehensive campuses increased by 5.5%. In dollar terms, this was an increase of \$265. Tuition for resident graduate and nonresident undergraduates was then increased by the same amount, or \$265. This translated into increases of 4.3% for resident graduate students and 2.1% for nonresident undergraduates, for whom tuition is significantly higher.

There were exceptions to this practice in each year. For example, in 2008-09, tuition increases at the law school exceeded tuition increase for resident undergraduates at UW-Madison due to charges related to a five-year quality improvement plan. Meanwhile, tuition was frozen at the 2007-08 rate for nonresident graduate and masters of business students. Tuition at the UW Colleges has been frozen in both years of the 2007-09 biennium in order to provide a lower-cost entry point to the UW System.

Historic Tuition Rates

Table 2 shows annual tuition for full-time resident undergraduate students enrolled in UW institutions, annual tuition increases, and annual increases in the Consumer Price Index (CPI) from 1988-89 to 2008-09. Annualized increases in tuition and CPI are shown for the entire 20-year period as

Table 2: Annual Tuition for Resident Undergraduate Students

Year	Madison		Milwaukee		Comprehensives		Colleges		% of Instructional Cost			Change in CPI-U 1989 thru 2008*	
	Amount	% Increase	Amount	% Increase	Amount	% Increase	Amount	% Increase	Madison	Milwaukee	Comp. Colleges		
1988-89	\$1,679	7.4 %	\$1,679	7.4 %	\$1,363	4.4 %	\$1,251	0.0 %	32.1 %	32.1 %	32.1 %	32.7 %	4.1 %
1989-90	1,793	6.8	1,793	6.8	1,457	6.9	1,251	0.0	31.2	31.2	31.2	31.6	4.8
1990-91	1,882	5.0	1,882	5.0	1,528	4.9	1,251	0.0	30.4	30.4	30.4	31.3	5.4
1991-92	1,946	3.4	1,946	3.4	1,580	3.4	1,293	3.4	30.5	32.0	30.5	28.4	4.2
1992-93	2,076	6.7	2,076	6.7	1,686	6.7	1,380	6.7	30.2	32.6	30.8	29.4	3.0
1993-94	2,227	7.3	2,206	6.3	1,792	6.3	1,467	6.3	31.0	32.7	30.8	29.9	3.0
1994-95	2,415	8.4	2,359	6.9	1,916	6.9	1,568	6.9	31.4	33.3	31.3	30.3	2.6
1995-96	2,549	5.5	2,513	6.5	2,041	6.5	1,670	6.5	33.8	35.0	33.1	31.8	2.8
1996-97	2,651	4.0	2,639	5.0	2,143	5.0	1,779	6.5	33.8	36.2	34.5	34.0	3.0
1997-98	2,860	7.9	2,847	7.9	2,312	7.9	1,956	9.9	34.2	38.3	35.8	35.8	2.3
1998-99	3,001	4.9	2,987	4.9	2,426	4.9	2,097	7.2	35.0	38.1	36.1	37.8	1.6
1999-00	3,290	9.6	3,194	6.9	2,594	6.9	2,264	8.0	37.6	38.6	36.7	39.0	2.2
2000-01	3,290	0.0	3,194	0.0	2,594	0.0	2,264	0.0	38.3	37.0	35.1	34.4	3.4
2001-02	3,568	8.4	3,462	8.4	2,776	7.0	2,422	7.0	39.7	40.9	36.8	38.3	2.8
2002-03	3,854	8.0	3,738	8.0	3,000	8.1	2,700	11.5	44.9	40.7	38.1	40.4	1.6
2003-04	4,554	18.2	4,438	18.7	3,500	16.7	3,200	18.5	47.6	49.8	45.9	49.6	2.3
2004-05	5,254	15.4	5,138	15.8	4,000	14.3	3,700	15.6	52.3	58.5	49.5	57.3	2.7
2005-06	5,618	6.9	5,494	6.9	4,277	6.9	3,977	7.5	54.0	62.9	52.4	56.6	3.4
2006-07	6,000	6.8	5,868	6.8	4,568	6.8	4,268	7.3	53.9	65.6	53.4	57.2	3.2
2007-08	6,330	5.5	6,191	5.5	4,819	5.5	4,268	0.0	53.4	66.3	55.1	53.7	2.8
2008-09	6,678	5.5	6,531	5.5	5,084	5.5	4,268	0.0	N.A.	N.A.	N.A.	N.A.	3.8
Annualized Rate of Change													
	<u>Tuition</u>												
1988-89 thru 2008-09													3.0%
1988-89 thru 1998-99													3.3%
1998-99 thru 2008-09													2.8%

*Through November, 2008.

well as the periods from 1988-89 to 1998-99 and from 1998-99 to 2008-09 at the bottom of the table. Table 2 shows only general tuition rates and excludes all differential tuitions.

As shown in the table, tuition increases for resident undergraduate students have exceeded increases in the CPI in 18 of the 21 years shown. In addition, the annualized increase in tuition for all UW System institutions over the entire period was more than twice the annualized increase in the CPI. The table also shows that, in general, tuition increases have been greater in the most recent 10 years than in the prior 10 years. However, this difference is mostly the result of large increases in tuition during the 2003-05 biennium. If these increases are excluded, annualized tuition rates for both time periods are approximately the same.

Tables 3 and 4 show undergraduate and graduate student tuition for resident and nonresident students, excluding tuition for the professional schools of law, medicine and veterinary medicine, from 1998-99 to 2008-09.

The additional tuition revenues generated by this tuition differential are used to fund costs associated with programs in those Schools. Other differential tuition initiatives may be established for entire institutions. Some of these campuswide differential tuitions are equal to a percentage of the general tuition rate, as set by the Board of Regents, while others are set at a specific dollar amount. For example, UW-Whitewater charges a differential tuition equal to 3.5% the comprehensive undergraduate tuition rate. By contrast, River Falls

Table 5: UW System Schedule of Differential Tuition – 2008-09 Academic Year

	Resident	Nonresident
Madison		
Bachelor's of Business Administration	\$7,678	\$22,712
Certificate of Administration	6,978	3,489
Doctor of Pharmacy	12,235	24,692
Undergraduate Engineering	7,278	21,528
Milwaukee		
Communication Science & Disorders (graduate)	10,592	27,423
Occupational Therapy (graduate)	10,592	27,423
School of Business Administration 200-600 Level Courses	20/Credit	20/Credit
College of Engineering and Applied Science	20/Credit	20/Credit
College of Nursing	30/Credit	30/Credit
Peck School of the Arts	20/Credit	20/Credit
Department of Architecture 100 Level Courses	11/Credit	11/Credit
Dept. of Architecture 200-800 Level Courses	41/Credit	41/Credit
Eau Claire		
Undergraduate Baccalaureate	5,240	12,813
La Crosse		
Undergraduate -- Returning Students	5,143	12,716
Undergraduate -- New Students	5,643	13,216
Occupational Therapy -- Undergraduate	7,771	20,185
Physician Assistant -- Undergraduate	7,771	20,185
Graduate	6,485	16,830
Business Masters	7,040	17,410
Physical Therapy (graduate)	7,771	20,185
Oshkosh		
Undergraduate	5,194	12,767
Platteville		
Undergraduate	5,184	12,757
River Falls		
Undergraduate	5,156	12,729
Stout		
Undergraduate - Per Credit	188.74	452.67
Graduate - Per Credit	309.03	525.79
Superior		
Undergraduate	5,291	12,864
Whitewater		
Undergraduate	5,262	12,835

Additional Tuition Policies

Differential Tuition

Subject to approval by the Board of Regents, campuses can charge differential tuition rates for certain programs or to certain classes of students. Program-specific differential tuition rates are usually charged for programs for which there is strong demand or particularly high operating costs. For example, students enrolled in UW-Madison's Schools of Business and Engineering pay a higher tuition rate than other undergraduate students.

charges all undergraduates a flat differential tuition equal to \$72.

Currently, the two doctoral campuses (Madison and Milwaukee) and eight of the comprehensive campuses (Eau Claire, La Crosse, Oshkosh, Platteville, River Falls, Stout, Superior, and Whitewater) charge differential tuition. Table 5 indicates the differential tuition rates charged in the 2008-09 academic year. The largest differential tuitions are charged by the School of Business at UW-Madison (\$1,000 per academic year); the School of Engineering at UW-Madison (\$600 in 2008-09, \$1,000 in 2009-10, and \$1,400 in 2010-11 and thereafter); and to undergraduates at UW-La Crosse (\$500 in 2008-09 and \$1,000 in 2009-10 and thereafter).

In addition, there are three differential tuition programs for nonresident students. The "Return to Wisconsin Program," which began in fall 2004, is a differential tuition pilot program for nonresident students who are the children or grandchildren of a specific institution's qualifying alumni. Under the program, the nonresident student must be a legal resident of a state other than Wisconsin or Minnesota. The differential rate is equal to the nonresident tuition rate less 25%, but not less than the projected cost of a student's education. Participating institutions include UW-Eau Claire, UW-Green Bay, UW-La Crosse, UW-Oshkosh, UW-Parkside, UW-River Falls, UW-Stevens Point, and UW-Whitewater.

In 2005, Wisconsin joined the Midwest Student Exchange Program (MSEP). This program allows students from participating states, including Kansas, Michigan, Minnesota, Missouri, Nebraska, and North Dakota, to attend colleges or universities in other participating states at a tuition of no more than 150% of resident tuition. UW-Eau Claire, UW-Green Bay, UW-La Crosse, UW-Marinette, UW-Milwaukee, UW-Oshkosh, UW-Platteville, UW-Stevens Point, UW-Stout, UW-Superior, and UW-Whitewater currently participate in MSEP.

Finally, in the fall of 2005 UW-Platteville began

its Tri-State Initiative (TSI), designed to increase enrollment by 2,000 undergraduate students in 10 years. TSI is a pilot differential tuition program for new entering nonresident undergraduate students from Illinois and Iowa admitted to certain programs of study. Under the program, eligible students are charged the resident tuition rate plus a premium of \$4,000 per year. The Board of Regents has scheduled a review of the pilot program by the spring of 2009 to determine if the pilot differential tuition rate should be continued.

Plateau System

With the exception of UW-Stout, UW System institutions charge students tuition using a "plateau system." Under this system, students taking up to a specified credit load pay tuition on a per credit basis. Once a student reaches the plateau level, additional credits are free. For undergraduate students, the plateau is from 12 through 18 credits. Therefore, if an undergraduate student takes at least 12 credits in a semester, the student is considered to be full-time for tuition purposes and pays a flat rate for all credits taken through 18. Students are charged a per-credit amount for each additional credit taken over 18. Students taking less than 12 credits are charged a per credit fee equal to 1/12 of the full-time rate. As a result, part-time students generally pay more per credit than students enrolled full-time. Indeed, a full-time student taking 15 credits pays 25% less per credit than a part-time student. Graduate students pay the same price for eight or more credits at Madison and Milwaukee and for nine or more credits at the comprehensive campuses.

Since 2002-03, UW-Stout has charged students on a per-credit basis. The Stout program was designed to be revenue neutral to the University and most full-time students. Under the Stout program, part-time students do not pay more per credit than full-time students. In addition, five other campuses (Eau Claire, Oshkosh, Platteville, River Falls, and Superior) charge a per credit tuition rate during the summer session for graduate students.

Other Tuition Policies

Since the fall of 2004, the Regents have implemented a tuition surcharge for Wisconsin resident undergraduates with excess cumulative credits. Students who have accumulated more than 165 completed credits will be assessed a 100% tuition surcharge. If the minimum credits required to complete an academic program exceeds 135, the tuition surcharge is not assessed until the cumulative credit total exceeds the minimum by more than 30 credits. Special students and prior baccalaureate degree recipients are exempt from the tuition surcharge.

The UW System has also implemented service-based pricing for certain programs targeted to adult non-traditional and graduate students. The UW System guidelines for service-based pricing programs require that the program be geared toward non-traditional students who are either: (a) age 25 and above, enrolled part- or full-time, at the undergraduate, professional, or graduate level; or (b) enrolled in programs delivered in a non-traditional manner (flexible as to time, place, media, or instruction). These courses must be priced to cover the direct cost of instruction, such as the instructor's salary and benefits, without any institutional subsidy. Therefore, per-credit tuition charges are generally above the current tuition schedule.

Service-based pricing programs are currently offered by 10 of the four-year campuses, the UW Colleges online, and UW-Extension. Examples of service-based pricing programs include a master's of engineering at UW-Madison, a master's of library and information sciences at UW-Milwaukee, a bachelor's of interdisciplinary studies at UW-Green Bay, a collaborative nursing program at UW-Oshkosh, a master's of project management at UW-Platteville, and a bachelor's of industrial management at UW-Stout. In 2007-08, UW institutions served 14,456 adult/non-traditional students (undergraduates 25 years of age and older and graduate students 30 years of age and older) in courses

and programs that covered at least the direct cost of instruction. These students accounted for approximately 78,000 credits generated across all UW institutions.

Primary Causes of Tuition Increases

Tuition increases from one year to the next are the result of one or more of the following: (1) increases in instructional costs, including faculty and academic staff pay plan increases and new initiatives; (2) changes in GPR funding levels relative to increases in costs; (3) enrollment changes (resident/nonresident mix and numbers); and (4) growth in state-imposed costs that are not covered by GPR.

The primary causes of tuition increases during the past 10 years have been:

- Compensation increases for faculty and academic staff. For the 2009-11 biennium, it is estimated that for every 1% increase in compensation, tuition would increase by 0.6% if funded using the traditional GPR/fee split. However, if compensation plan adjustments were to be funded completely through academic fees, it is estimated that for every 1% increase in compensation, tuition will increase 2.1%.

- Budget initiatives, including:

- The 1999-01 budget provided funding to freeze resident undergraduate tuition in 2000-01 at the 1999-00 level.

- The 2001-03 budget provided for fee increases totaling \$23.2 million over the biennium to partially fund initiatives systemwide.

- The 2007-09 biennial budget provided \$8.2 million in additional tuition revenue expenditure authority for the UW System to support the Sys-

tem's growth agenda.

- Growth in state imposed costs not covered by GPR.

- In 2008-09, tuition was increased to generate \$18 million in revenues to offset revenues lost by providing tuition and fees remissions to veterans.

- Changes in policy, including:

- Provisions in the 1997-99, 1999-01, and 2001-03 budgets permitted the Board of Regents to fund a portion of the compensation plan for

faculty and academic staff solely from tuition revenues.

- The 2005-07 budget provided additional tuition revenue authority of \$16.7 million in 2005-06 and \$43.3 million in 2006-07 to fund fuel and utilities expenses.

- State fiscal problems, including:

- The 2001-03 budget required the Board of Regents to increase nonresident undergraduate tuition by an additional 5% in each year of the biennium.

Table 6: Tuition Increases and Related Items

	Average Tuition Increase	Average Faculty Salary Increase	Notes
1999-00	6.9% to 12.7%	0.7% to 11.7%	1. Compensation (6.5%) 2. Instructional Items (0.4%)
2000-01	0.0 to 9.1	2.4 to 8.4	1. Resident undergraduate tuition frozen at 99-00 level
2001-02	7.0 to 15.4	0.0 to 5.4	1. Pay Plan/Fringe Benefits (4.9%) 2. Instructional Items (2.1%) 3. Non Resident undergraduate tuition surcharge (5%)
2002-03	8.0 to 13.0	4.4 to 5.6	1. Pay Plan/Fringe Benefits (6.8%) 2. Instructional Items (1.2%) 3. Non Resident undergraduate tuition surcharge (5%) 4. Resident undergraduate tuition increase capped at 8%
2003-04	0.0 to 18.7	0.1 to 1.9	1. \$500 annual tuition increase for resident undergraduates at comprehensive campuses and \$700 annual tuition increase for resident undergraduates at doctoral campuses to partially offset \$110 million GPR reduction
2004-05	0.0 to 15.8	-0.2 to 3.8	1. \$500 annual tuition increase for resident undergraduates at comprehensive campuses and \$700 annual tuition increase for resident undergraduates at doctoral campuses to partially offset \$140 million GPR reduction
2005-06	0.0 to 8.6	1.9 to 4.5	1. Legislative budget changes (6.6%) 2. Health insurance & pay plan (0.1%) 3. Changes in student mix (0.2%)
2006-07	-15.9 to 8.5	2.4 to 5.3	1. Legislative budget - utilities (4.1%) 2. Health insurance & pay plan (2.5%) 3. Student technology fee (0.3%)
2007-08	0.0 to 7.8	2.2 to 4.0	1. Health insurance & pay plan (4.4%) 2. Fuel & utilities (0.8%) 3. High demand faculty (0.2%)
2008-09	0.0 to 7.7	NA	1. Veterans remissions (2.7%) 2. Growth agenda (1.2%) 3. Fuel & utilities (0.6%) 4. Health insurance & pay plan (0.6%) 5. Other budget changes (0.4%)

- The 2003-05 budget provided \$150.0 million in additional tuition expenditure authority related to increasing tuition over the biennium to partially offset base GPR budget reductions of \$250.0 million.

Tuition changes and their primary causes, as described above, are summarized for 10 academic years in Table 6. The range of tuition increases (shown in the second column) includes all campuses and all student types. In 2008-09, tuition increases ranged from 0% for undergraduates at the UW Colleges and nonresident graduate and masters of business students to 7.7% for resident law students, whose tuition increased by a greater percentage to support a quality improvement plan.

The average salary increases (third column) also varies considerably by campus and faculty level. (Additional information on faculty salary increases are contained in the Legislative Fiscal Bureau informational paper entitled "University of Wisconsin System Overview.") The final column contains the major contributors to tuition increases. The percentage in parentheses is the tuition increase or decrease that resulted from the particular item. For example, the 1999-00 compensation plan translated into a 6.5% tuition increase and instructional items approved in the budget resulted in a 0.4% tuition increase.

Nonresident Students and Tuition Revenues

For tuition purposes, students fall into three categories: resident, nonresident, and nonresident students under a reciprocity agreement.

Nonresident Tuition

Nonresident students are charged tuition in excess of instructional costs thus subsidizing resident students. Nonresident tuition is not subject to

any statutory limits and, in past budgets, has been used as a source of additional revenues. However, tuition rates charged to nonresident students are impacted by the rates charged to nonresident students by other institutions. The UW System competes with other regional and, in some cases, national and international institutions for nonresident students.

With this in mind, the Board of Regents reduced nonresident tuition to below the peer midpoints for the 2006-07 academic year at UW-Milwaukee, the comprehensive campuses, and the UW Colleges in an effort to attract more out-of-state students to these campuses. Prior to this reduction, tuition for nonresident undergraduates was above the peer median at UW-Milwaukee (\$3,138) and the comprehensive campuses (\$2,592). This comparatively high tuition may have put these institutions at a disadvantage when competing for nonresident students. In 2008-09, nonresident undergraduate tuition at UW-Milwaukee is \$1,327 (9.7%) less than the peer midpoint while nonresident undergraduate tuition at the comprehensives is \$647 (8.1%) below the peer midpoint. In spite of these reductions, nonresident students continue to pay tuition in excess of instructional costs, thus subsidizing resident students.

In the years since the Board of Regents reduced nonresident undergraduate tuition at UW-Milwaukee, the comprehensives, and the UW Colleges nonresident undergraduate enrollments have increased significantly. From 2005-06 to 2007-08, nonresident undergraduate enrollment at UW-Milwaukee, the comprehensive campuses, and the UW Colleges increased by 1,265 headcount students, or 34%. By comparison, enrollment by nonresident undergraduates at UW-Milwaukee and the comprehensives decreased by 243, or 6%, from 1995-96 to 2005-06.

Reciprocity Tuition

The Minnesota-Wisconsin Higher Education

Reciprocity Agreement allows Minnesota and Wisconsin residents to attend higher education institutions in either state without having to pay nonresident tuition. The agreement is negotiated and administered jointly by the Minnesota Office of Higher Education (MOHE) and the Wisconsin Higher Educational Aids Board (HEAB). In Wisconsin, the agreement is subject to legislative approval by the Joint Committee on Finance. In Minnesota, changes to the agreement are approved by the University of Minnesota Board of Regents. While the current agreement, which was most recently modified effective on July 1, 2007, does not include an expiration date, the agreement may be modified or terminated at any time upon mutual agreement of both parties. A student enrolled under the agreement pays a "reciprocal fee" that cannot exceed the higher of the resident tuition charged at the institution in which the student is enrolled or the resident tuition at a comparable institution in the student's state of residence. The reciprocal fee structure, which is determined jointly by HEAB and MOHE, is included in an annual administrative memorandum that must be approved by the Joint Committee on Finance.

In addition to the Minnesota reciprocity program, which is statewide, UW-Marquette also has a reciprocity agreement with two community colleges in Michigan. This reciprocity agreement covers only students who are residents of specified Wisconsin and Michigan counties and is much smaller than the Minnesota program.

Additional details on these agreements are contained in the Legislative Fiscal Bureau's informational paper entitled "Education and Income Tax Reciprocity Agreements."

Nonresident Tuition Remissions

Nonresident students who are granted tuition remissions may be exempted from paying the nonresident portion of tuition and, in the case of certain graduate assistants, resident tuition. In

2007-08, 2,939 nonresident undergraduate students received nonresident tuition remissions totaling \$15.6 million and 7,837 graduate students received remissions of nonresident and resident tuition totaling \$84.4 million. Additional information regarding tuition remissions is provided in the Legislative Fiscal Bureau's informational paper entitled "Student Financial Aid."

Table 7 shows the total number of students, the number of nonresident students, and the percentage of those students who were reciprocity students, received remissions, or paid full nonresident tuition by institutional type. Of the 25,201 nonresident undergraduate students who were enrolled in the UW System in fall, 2007, approximately 37.3% paid full nonresident tuition. Of those nonresident undergraduate students who did not pay full nonresident tuition, 83% are Minnesota or Michigan residents enrolled under a reciprocity agreement. The remaining 17% receive full or partial tuition remissions such that they are charged less than the full nonresident tuition.

As shown in the table, 33.6% of Madison's undergraduates are nonresidents. Of these students, 29.9% of these are reciprocity students and 4.9% receive some form of tuition remission. Therefore, 65.2% of Madison's nonresident undergraduates, or 21.9% of its total undergraduate population, pay full, out-of-state tuition and fees. Of Madison's graduate students, 55.5% are nonresidents for tuition purposes and 31% of those students pay nonresident tuition.

Tuition Revenues

Table 8 shows 2008-09 estimated tuition revenues by resident status. Tuition received from Minnesota residents through reciprocity is included in the "Residents" column. As shown in Table 8, non-Minnesota nonresidents compose only 12% of the student population systemwide based on fall, 2007, enrollment but contribute 30% of the tuition revenues. At Madison, these students represent approximately 32% of total campus

Table 7: Proportion of Students by Tuition Status (Fall 2007)

	Total Number of Students*	Number of Nonresident Students	Nonresidents as a % of Total	Nonresident Students		
				% Reciprocity Students**	% Receiving Remission***	% Paying Full Nonresident Tuition
Madison						
Undergraduate	30,166	10,140	33.6%	29.9%	4.9%	65.2%
Graduate and Professional	11,397	6,321	55.5	3.3	65.7	31.0
Milwaukee						
Undergraduate	24,395	940	3.9	36.2	11.4	52.4
Graduate	4,943	1,307	26.4	6.2	50.3	43.5
Comprehensive Campuses						
Undergraduate	81,254	13,660	16.8	70.5	13.8	15.8
Graduate	8,209	1,532	18.7	30.4	17.0	52.6
Colleges						
Undergraduate	<u>13,029</u>	<u>461</u>	3.5	26.0	44.5	29.5
Total	173,393	34,361	19.8%	40.4%	22.6%	37.0%

*Headcount of resident and nonresident students.

**Includes Minnesota and Michigan reciprocity students. Michigan residents represent less than 1% of the reciprocity students.

***Includes tuition award program students at Parkside and Superior, where students enrolled in programs with excess capacity can receive remission of nonresident tuition.

Table 8: Estimated Tuition Revenues (2008-09-Excluding Summer Session)

	Tuition Revenue	% Paid by:	
		Residents*	Nonresidents
Madison			
Undergraduate	\$280,884,895	49.9%	50.1%
Graduate	153,089,752	28.6	71.4
Milwaukee			
Undergraduate	146,146,559	93.8	6.2
Graduate	41,214,829	53.5	46.5
Comprehensive Campuses			
Undergraduate	396,214,203	90.2	9.8
Graduate	35,110,300	73.1	26.9
Colleges			
Undergraduate	<u>43,988,275</u>	95.7	4.3
Total	\$1,096,648,813	70.1	29.9

*Includes Minnesota reciprocity students.

population but generate 58% of all campus tuition revenues. These figures demonstrate the relative importance of out-of-state students to the tuition revenue pool.

In addition, Madison enrolls less than half the number of students as the eleven comprehensive campuses combined, its students contribute approximately the same amount of tuition revenue as do the students at all of the four-year schools.

Segregated Fees

In addition to tuition charges, all students are assessed segregated fees which are used to finance a wide variety of student activities and services including parking and transportation services, student activities and organizations, student

unions and student centers, and intramural and intercollegiate athletics. The total segregated fee amount paid by the student consists of allocable fees and nonallocable fees. According to Board of Regents policy, allocable fees are those fees that constitute substantial support for campus student activities such as student organizations, concerts, lectures, and bus passes. Nonallocable fees are defined as fees that support fixed obligations and programs that require stable funding such as debt service, base operating funds for student unions, and minimum student health services.

Unlike tuition rates, segregated fees are determined on a campus-by-campus basis. Chancellors, in consultation with students at each institution, are responsible for defining the allocable and non-allocable portions of the segregated fee. By statute, students, in consultation with the chancellor, are responsible for determining the disposition of the allocable portion of the segregated fee.

In 2008-09, annual segregated fees at the four-year campuses range from \$654 at Stout to \$1,224 at Green Bay and fees at the UW Colleges range from \$230 to \$373. Table 9 shows segregated fees charged at each of the four-year campuses from 1998-99 to 2008-09. The table also compares annualized increases in segregated fees charged to annualized tuition increases. At some campuses, most notably Superior, segregated fees have been increasing more rapidly than tuition. At other campuses, such as UW-Milwaukee and UW-Stout, segregated fees have increased more slowly than tuition.

In addition to tuition and segregated fees, students who choose to live on campus also must pay room and board charges. Table 10 shows these charges by campus for 2003-04 to 2008-09.

First Amendment Challenge

Board of Regents policy prohibits the use of segregated fees for activities that are politically partisan or religious in nature. However, in 1996, three UW-Madison students filed a lawsuit against

the Board of Regents claiming that the imposition of the mandatory fee violated their First Amendment right not to be compelled to speak or associate. The basis for the students' argument was that some of the allocable portion of the fee was used to subsidize organizations whose primary purpose is to advance political or ideological causes. The students named eighteen organizations to which they specifically objected including the Wisconsin Public Interest Research Group, the Campus Women's Center, and the Madison AIDS Support Network.

In November of 1996, a U.S. District Court ruled that the segregated fee policy violates the students' First Amendment rights and that the University "must provide some sort of opt-out provision or refund system for those students who object to subsidizing political and ideological student organizations with which they disagree." The Board of Regents filed an appeal which was rejected by the Seventh Circuit Court of Appeals.

In November of 1998, the Board filed an appeal with the U.S. Supreme Court, which issued a unanimous decision on the case in March, 2000. The Court ruled that the First Amendment does not prohibit a public University from charging a mandatory activity fee to fund student organizations provided that the process used to distribute the fees is "viewpoint neutral."

New segregated fee policies were adopted by the Board of Regents in February, 2001. The following month, the District Court ruled that the UW System's revisions to the student fee policies gave student government leaders too much discretion in allocating student fee revenues, and once again prohibited the University from collecting the fees from opposing students.

In October of 2002, the U.S. 7th Circuit Court of Appeals lifted the prohibition on collecting the student fees and ruled that the new segregated fee system satisfied the court's viewpoint neutral requirement. The court's decision restricts the UW System from using mandatory fees to pay for travel

Table 9: Segregated Fees by Campus, 1998-99 to 2008-09

	Madison	Milwaukee	Eau Claire	Green Bay	La Crosse	Oshkosh	Parkside	Platteville	River Falls	Stevens Point	Stout	Superior	Whitewater
1998-99	\$404	\$492	\$365	\$490	\$453	\$352	\$412	\$380	\$371	\$416	\$410	\$342	\$405
1999-00	445	547	392	556	519	404	448	414	382	453	428	377	422
2000-01	498	567	427	712	592	427	496	561	435	467	454	407	460
2001-02	518	592	458	872	624	449	516	575	490	487	474	454	491
2002-03	569	615	480	1,023	670	460	532	584	552	510	491	461	528
2003-04	582	666	538	1,154	682	490	572	615	607	521	508	620	546
2004-05	608	693	576	1,154	706	502	648	672	630	569	528	652	556
2005-06	662	726	600	1,148	742	590	720	704	685	651	560	755	703
2006-07	726	758	620	1,148	775	682	816	742	755	756	585	854	712
2007-08	854	763	705	1,140	817	760	936	787	861	880	628	942	740
2008-09	886	774	785	1,224	848	843	984	823	921	981	654	1,068	766
Total % Increase	119.3%	57.3%	115.1%	149.8%	87.2%	139.5%	138.8%	116.6%	148.2%	135.8%	59.5%	212.3%	89.1%
Annualized Increase	8.2	4.6	8.0	9.6	6.5	9.1	9.1	8.0	9.5	9.0	4.8	12.1	6.6

Tuition

Total % Increase	122.5%	118.6%	107.4%	109.6%	132.6%	114.1%	109.6%	113.7%	112.5%	109.6%	120.0%	118.1%	116.9%
Annualized Increases	8.3	8.1	7.6	7.7	8.8	7.9	7.7	7.9	7.8	7.7	8.2	8.1	8.1

Table 10: Academic Room and Board Fees by Campus, 2003-04 to 2008-09

	Madison	Milwaukee	Eau Claire	Green Bay	La Crosse	Oshkosh	Parkside	Platteville	River Falls	Stevens Point	Stout	Superior	Whitewater
2003-04	\$5,170	\$4,040	\$3,980	\$3,561	\$4,100	\$3,984	\$4,756	\$4,112	\$3,908	\$3,964	\$3,942	\$4,247	\$3,702
2004-05	5,381	4,230	4,130	3,850	4,520	4,312	4,850	4,328	4,120	4,094	4,232	4,342	3,892
2005-06	5,730	4,596	4,266	3,990	4,770	4,634	4,950	4,112	4,340	4,322	4,660	4,422	4,120
2006-07	6,180	4,988	4,444	4,200	4,970	5,015	5,010	4,325	4,586	4,542	4,884	4,575	4,322
2007-08	6,650	5,442	4,828	4,350	5,130	5,242	5,390	4,602	4,924	4,832	4,994	4,721	4,574
2008-09	6,909	5,738	4,960	4,700	5,420	5,720	5,570	4,809	5,106	5,180	5,170	4,954	4,790
Total % Increase	33.6%	42.0%	24.6%	32.0%	32.2%	43.6%	17.1%	17.0%	30.7%	30.7%	31.2%	16.6%	29.4%
Annualized Increase	6.0	7.3	4.5	5.7	5.7	7.5	3.2	3.2	5.5	5.5	5.6	3.1	5.3

expenses of student groups that engage in political, religious, or ideological activities of speech. In addition, the University cannot use the length of time a student group has existed or the amount of funds a group has received in the past as criteria for distributing funds.

Instructional Cost Per Student

The UW System's basis for determining instructional costs is the "cost per student" calculation. The original methodology for determining the cost per student was developed before the merger of the UW System by the Coordinating Committee on Higher Education (CCHE) as a method of comparing relative funding between the University of Wisconsin and the Wisconsin State Universities. These support levels were used by CCHE in making its recommendations for the biennial budget.

The cost per student calculation is based on standard accounting procedures that identify direct and indirect student-related costs funded by GPR and student fees. The calculation includes the direct costs of instruction, student services, and academic support. Other activity costs, such as physical plant, institutional support, and fringe benefits, are included in the cost per student calculation with the costs allocated based on the teaching mission's share of those costs. In those instances where a faculty or staff member performs research as part of his or her educational responsibilities, only those costs directly related to instruction are included in the cost pool for setting tuition.

As indicated previously, separate tuition levels are set for Madison, Milwaukee, the comprehensive campuses, and the UW Colleges. Although campuses are grouped together, their instructional cost per student varies considerably. Some of the possible reasons for the large variations in instructional costs include economies of scale (the smaller comprehensive campuses are more expensive), array of course offerings, the use of academic staff as

instructors, and the mix of students.

Table 11 shows undergraduate cost per full-time student and tuition as a percentage of that cost by campus for 2007-08. For each level, the table shows the instructional cost per student as well as the percentage of that cost paid by tuition. Systemwide, the average instructional cost per undergraduate student is \$9,322. The cost of educating an undergraduate student ranges from \$8,194 at Whitewater to \$11,846 at Madison, a difference of 44.6%.

Including differential tuitions, tuition at the comprehensive campuses varies by only 5%, much less than the variance of 37% in instructional costs. Consequently, students at the campuses where instructional costs are the lowest, such as Whitewater, La Crosse, and Oshkosh, are paying a greater share of their educational costs than students at campuses with the highest instructional costs, including Superior and Parkside. For example, while upper level (Junior/Senior) students at Parkside paid 35% of the cost of their education, lower level (Freshmen/Sophomore) students at Oshkosh paid 81%.

Despite paying a higher amount of tuition, students at UW-Madison pay a lower percentage of their instructional costs than the average for students at the comprehensive campuses. By contrast, students at Milwaukee pay a greater share of their instructional costs than students at the comprehensive campuses. Indeed, lower level students at Milwaukee pay the greatest share (87.5%) of their instructional costs of any resident undergraduate student group. This is due to both lower than average instructional costs and the tuition premium students pay for attending a doctoral institution.

Nonresident students are charged tuition in excess of their instructional costs. In 2007-08, nonresident undergraduate students paid 174% of their instructional costs at UW-Madison, 170% of instructional costs at UW-Milwaukee, and between 111% and 153% of their instructional costs at the

Table 11: 2007-08 Instructional Cost Per Student and Percent of Cost Paid by Tuition

	Undergraduate		Cost Per Student			Graduate Resident Tuition	Cost Per Student					
	Resident Tuition	Freshman/Sophomore	Junior/Senior	All Levels	Master's		Ph.D.					
Madison*	\$6,330	\$9,139	69.3%	\$13,772	46.0%	\$11,846	53.4%	\$8,784	\$26,002	33.8%	\$26,346	33.3%
Milwaukee	6,191	7,073	87.5	11,593	53.4	9,343	66.3	8,486	25,781	32.9	31,086	27.3
Doctoral Average	6,276	8,239	76.2	12,365	50.8	10,270	61.1	8,672	24,210	36.0	26,992	32.3
Eau Claire	4,968	6,844	72.6	11,002	45.2	8,894	55.9	6,161	22,797	27.0		
Green Bay	4,819	6,410	75.2	11,309	42.6	9,015	53.5	6,161	26,557	23.2		
La Crosse	4,876	6,629	73.6	10,085	48.3	8,307	58.7	6,218	14,223	43.7		
Oshkosh	4,929	6,083	81.0	10,340	47.7	8,319	59.2	6,161	17,557	35.1		
Parkside	4,819	7,069	68.2	13,783	35.0	10,316	46.7	6,161	28,742	21.4		
Platteville	4,819	7,289	66.1	11,247	42.8	9,041	53.3	6,161	10,496	58.7		
River Falls	4,891	7,940	61.6	10,163	48.1	8,999	54.4	6,161	14,004	44.0		
Stevens Point	4,819	6,928	69.6	11,022	43.7	8,984	53.6	6,161	25,646	24.0		
Stout	5,060	8,144	62.1	11,036	45.8	9,491	53.3	6,469	15,854	40.8		
Superior	4,969	9,089	54.7	12,783	38.9	11,258	44.1	6,161	17,631	34.9		
Whitewater	4,988	6,425	77.6	9,989	49.9	8,194	60.9	6,161	14,221	43.3		
Comprehensive Average	4,912	6,982	70.4	10,884	45.1	8,913	55.1	6,215	16,388	37.9		
Colleges Average	4,268	7,944	53.7			7,944	53.7					
System Average	5,346	7,490	71.4	11,481	46.6	9,322	57.3	7,672	21,026	38.6		

* Master's cost per student includes law students; doctoral cost per student excludes medical and veterinary students.

comprehensive and UW Colleges campuses. These students provided a subsidy for resident undergraduate students who paid between 44% and 66% of their instructional costs.

Table 11 also highlights three potential policy issues. The first is in regard to the use of two-year campuses as a means of reducing costs. The data shows that the average cost per student at the UW Colleges is greater than the freshmen/sophomore costs at nine of the eleven comprehensive campuses and UW-Milwaukee. UW Colleges students also pay a smaller percentage of the cost of their education than lower level students at any other campus.

The second issue relates to the disparity in costs between levels of students. The data shows that there is a difference of almost 53% in cost per student between the freshmen/sophomore and junior/senior levels. Higher level students, especially at the doctoral campuses, tend to have smaller classes and are more often taught by faculty rather than teaching assistants or academic staff, which results in higher instructional costs.

The third issue involves the disparity among campuses in the cost of graduate level education. At the graduate level, the range between the lowest and highest cost comprehensive campus is \$18,246 (174%). There appears to be little relation between graduate and undergraduate cost per student. The small size of the graduate program at Parkside may account for it being the most expensive.

In addition to costs varying by campus and level, they also vary by discipline. At most campuses, the cost per credit is the highest in the health sciences, followed by engineering. The cost per credit is generally lowest for humanities and social sciences courses.

An examination of the relationship between the cost of education and the associated tuition paid by students shows that numerous trade-offs and compromises enter into the creation of a tuition sched-

ule. It is inevitable, however, that unless a highly complicated tuition schedule is adopted, some groups of students will receive a greater educational cost subsidy than others, due to differences between campuses, levels, and disciplines.

Comparative Statistics

Peer comparisons are frequently used in evaluating tuition charged at UW System campuses. The Big Ten Universities are generally cited when comparing tuition at UW-Madison to that of similar institutions while the peer group commonly used for UW-Milwaukee consists of other urban campuses across the nation. The peer group for the UW comprehensive campuses includes other public universities in the Midwest.

Historically, UW-Madison's resident tuition has been lower than resident tuition at most other public Midwestern Big Ten universities. Table 12 shows that in 2008-09, UW-Madison resident undergraduate tuition ranked eighth out of the nine midwestern public Big Ten institutions, at \$1,912 below the mid-point; and resident graduate tuition ranked sixth, at \$868 below the mid-point. For non-residents, undergraduate tuition also ranked eighth out of the nine peers, at \$2,433 below the midpoint; however, graduate tuition ranked third highest, at \$2,158 above the mid-point.

When comparing the rate of tuition and fee increases in Wisconsin with those occurring in the other Big Ten states over the past 10 years, Wisconsin's tuition increases have been above both the average and mid-point percentage increases. However, because of Wisconsin's relatively low tuition, the dollar increase in tuition and fees over the past 10 years is below both the average and the mid-point dollar increases in tuition and fees for other public midwestern Big Ten universities. Table 13 indicates percentage and dollar increases in tuition and fees for resident undergraduates at

Table 12: Annual Tuition at Midwestern Public Big Ten Universities (Including Segregated Fees)*

	Undergraduate			Graduate		
	2007-08	2008-09	% Change	2007-08	2008-09	% Change
Resident Students						
Illinois	\$11,130	\$12,240	10.0%	\$11,216	\$12,112	8.0%
Michigan	11,112	11,745	5.7	15,748	17,569	11.6
Michigan State	10,184	10,740	5.5	10,330	11,331	9.7
Minnesota	9,630	10,273	6.7	11,445	12,219	6.8
Ohio State	8,676	8,679	0.0	9,972	10,440	4.7
Indiana	7,837	8,231	5.0	7,207	7,870	9.2
Purdue	7,416	7,750	4.5	7,416	7,750	4.5
UW-Madison	7,184	7,564	5.3	9,638	10,018	3.9
Iowa	6,293	6,544	4.0	7,158	7,281	1.7
Average (excl. WI)	\$9,035	\$9,525	5.4	\$10,062	\$10,822	7.6
Mid-Point (excl. WI)	\$9,153	\$9,476		\$10,151	\$10,886	
UW Distance to Mid-Point	-\$1,969	-\$1,912		-\$513	-\$868	
Nonresident Students						
Michigan	\$32,401	\$33,777	4.2%	\$31,658	\$32,147	1.5%
Michigan State	23,928	26,134	9.2	20,440	22,341	9.3
Illinois	25,216	26,024	3.2	24,056	24,866	3.4
Indiana	22,316	24,769	11.0	19,390	21,271	9.7
Purdue	22,224	23,224	4.5	22,224	23,224	4.5
Ohio State	21,285	22,614	6.2	24,126	25,998	7.8
Minnesota	21,260	21,903	3.0	18,543	19,317	4.2
UW-Madison	21,184	21,564	1.8	24,908	24,940	0.1
Iowa	19,465	20,658	6.1	19,144	20,163	5.3
Average (excl. WI)	\$23,512	\$24,888	5.9	\$22,448	\$23,666	5.4
Mid-Point (excl. WI)	\$22,270	\$23,997		\$21,332	\$22,783	
UW Distance to Mid-Point	-\$1,086	-\$2,433		\$3,576	\$2,158	

* Tuition and Fees reflects tuition for new students, certain returning students may have lower tuition.

Table 13: Increase in Tuition and Fees for Resident Undergraduates at Public Big Ten Universities (1998-99 to 2008-09)

	Ten-Year Increase	
	Percent	Amount
Illinois	168.8 %	\$7,686
Iowa	128.2	3,676
Minnesota	123.0	5,667
Ohio State	122.2	4,773
Wisconsin	122.1	4,158
Purdue	117.5	4,186
Michigan State	107.6	5,566
Indiana	102.3	4,162
Michigan	81.0	5,256
Average (excl. WI)	116.3%	\$5,122
Mid-Point (excl. WI)	119.8%	\$5,164

* Tuition and fees reflects tuition for new students, certain returning students may have lower tuition.

the public midwestern Big Ten universities for the period 1998-99 to 2008-09.

Tables 14 and 15 compare undergraduate tuition and fees charged at the UW comprehensive campuses and UW-Milwaukee to tuition and fees at their respective peer campuses. As shown in Table 14, Milwaukee's resident tuition ranks twelfth of 15 peers while nonresident tuition is the ninth highest in the peer group. Similarly, Table 15 indicates that average resident tuition and fees at the comprehensive campuses is lower than all but four of the 34 other institutions in the peer group, while UW nonresident tuition and fees ranks 24th out of 35.

Table 14: Undergraduate Tuition and Fees UW Comprehensive Campuses and Peers (2008-09)

	Resident	Nonresident
Illinois		
Governor's State	\$11,313	\$29,673
Univ. Illinois-Springfield	9,077	18,227
Chicago State	8,878	15,658
Eastern Illinois	8,782	21,862
Western Illinois	8,273	11,501
Northeastern Illinois	8,010	14,610
So. Illinois-Edwardsville	7,831	16,606
Indiana		
Indiana State	\$7,148	\$15,402
Purdue-Fort Wayne	6,596	15,545
Purdue-Calumet	5,969	13,279
Indiana Univ.-South Bend	5,763	14,879
Indiana Univ.-Northwest	5,669	13,784
Indiana Univ.-Southeast	5,644	13,804
Iowa		
U. of Northern Iowa	\$6,376	\$14,596
Michigan		
Michigan Tech.	\$10,208	\$21,968
Central Michigan	9,720	22,590
Ferris State	9,000	15,900
U. Michigan-Dearborn	8,835	18,941
Grand Valley State	8,196	12,510
Oakland	8,055	18,263
Eastern Michigan	7,983	21,378
Western Michigan	7,928	18,420
U. Michigan-Flint	7,376	14,384
Northern Michigan	7,078	11,230
Saginaw Valley State	6,492	14,891
Minnesota		
U. Minn.-Duluth	\$10,415	\$12,415
Winona State	7,508	12,112
Bemidji State	6,984	6,984
Mankato State	6,263	12,508
Moorhead State	6,144	11,381
St. Cloud State	6,129	12,456
Ohio		
U. Akron	\$8,383	\$17,631
Wright State	7,278	14,004
Youngstown St.	6,721	12,394
Wisconsin		
Comprehensive Average	\$5,984	\$13,557
Average (Excl. WI)	\$7,707	\$15,641
Mid-Point (Excl. WI)	\$7,670	\$14,745
WI distance from Mid-Point	-\$1,686	-\$1,188

* Tuition and fees reflects tuition for new students, certain returning students may have lower tuition.

Table 15: Undergraduate Tuition and Fees at UW-Milwaukee and Peers (2008-09)

	Resident	Nonresident
Temple	\$11,448	\$20,468
U. of Illinois-Chicago	11,316	23,706
Rutgers-Newark	11,136	21,350
U. of Texas-Dallas	9,850	21,000
U. of Cincinnati	9,399	23,922
U. of Akron	8,383	17,631
U. of Missouri-Kansas City	8,272	19,362
Wayne State	8,109	17,379
U. of Toledo	7,927	16,738
Cleveland State	7,920	10,663
U. of Louisville	7,564	18,354
UW-Milwaukee	7,305	17,033
SUNY-Buffalo	6,285	12,545
Georgia State	6,056	20,624
U. of New Orleans	3,292	10,336
Average (Excl. WI)	\$8,354	\$18,148
Mid-Point (Excl. WI)	\$8,191	\$18,858
WI Distance to Mid-Point	-\$886	-\$1,825

*Tuition and Fees reflects tuition for new students, certain returning students may have lower tuition.

These comparisons have been used as benchmarks or justifications for establishing tuition levels. It could be argued, however, that resident tuition at universities in other states is not a meaningful guide in establishing tuition rates. Resident tuition is not entirely a market-driven commodity; students generally only have one state in which they would qualify for resident tuition and, consequently, resident tuition in other states should have little bearing on where a student chooses to attend school.

Another approach to comparing tuition levels between states is to examine the relationship between tuition levels and state income measures, representing ability to pay. Table 16 compares resident undergraduate tuition as a percentage of per capita disposable (post-tax) personal income and median household income for public Big Ten institutions in 2007-08. Using either measure, UW-Madison tuition is the second most affordable behind only Iowa.

The establishment of resident tuition levels is often the culmination of many years of policy development. It impacts both access to higher education and financial aid. It also illustrates the significance of higher education in the state's hierarchy of priorities. Basing one state's tuition on the decisions made in other states may not be consistent with a state's budgetary priorities, educational needs, or broader education policies.

Table 16: Tuition and State Income Measures (2007-08)

Institution	Resident Undergraduate Tuition-Fees	Tuition as % of Per Capita Income	Tuition as % of Median Income
Michigan	\$11,112	36.3%	23.2%
Michigan State	10,184	33.3	21.2
Illinois	11,130	31.2	20.6
Ohio State	8,676	28.7	18.6
Minnesota	9,630	27.2	17.3
Indiana	7,837	26.7	16.5
Purdue	7,416	25.2	15.6
Wisconsin	7,184	22.6	14.2
Iowa	6,293	20.3	13.3

APPENDIX

University of Wisconsin Board of Regents Tuition Policy

The current tuition policy, which was most recently revised by the Regents in 2004 with regard to competitive nonresident tuition rates, is as follows:

1. Tuition and financial aid in the UW System should balance educational quality, access, and ability to pay.

2. As a matter of fiscal and educational policy, the state should, at a minimum, strive to provide a GPR funding share of 65% of regular budget requests for cost-to-continue, compensation, and new initiatives, and fully fund tuition increases in state financial aid programs.

3. Nonresident students should pay a larger share of instructional costs than resident students should, and at least the full cost of instruction when the market allows. Nonresident rates should be competitive with those charged at peer institutions and sensitive to institutional nonresident enrollment changes and objectives.

4. Where general budget increases are not sufficient to maintain educational quality, supple-

mental tuition increases should assist in redressing the imbalance between needs and resources.

5. Tuition increases should be moderate and predictable, subject to the need to maintain quality.

6. GPR financial aid and graduate assistant support should "increase at a rate no less than that of tuition" while staying "commensurate with the increased student budget needs of students attending the UW System." In addition, support should also reflect "increases in the number of aid eligible students."

7. General tuition revenue, to cover regular budget increases under a 65% GPR and 35% Fees split, should continue to be pooled systemwide. Special fees may be earmarked for particular institutions and/or programs increasing those fees.

8. When considering tuition increases beyond the regular budget, an evaluation of doctoral graduate tuition should consider impacts on multi-year grants and the need to self-fund waivers or remissions from base reallocation within departmental budgets.