

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 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 provides information related to current tuition rates, instructional costs, the relationship between tuition levels and the state budget, past tuition increases and the causes of those increases, segregated fees, and comparisons to tuition charged in other states.

Tuition Rates

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 such other studies and courses of instruction as the Regents deem advisable. Tui-

tion rates are established annually at the same time as the University's annual operating budget is approved. Table 1 shows the amount of tuition and segregated fees charged by each UW institutions in 2014-15.

Differential Tuition

Beginning in 1997, the Regents have had the ability to charge differential tuition. Differential tuition is an amount charged on top of base tuition to support additional services and programming for students at a particular institution. Differential tuition can be charged to all students enrolled at a particular institution, to a particular category of students, such as all undergraduates, or only to students enrolled in certain programs. Program-specific differential tuitions are usually charged for programs that have high operating costs such as the health sciences and engineering.

A differential tuition may be set at a dollar amount or as a percentage of base tuition. Individual students may be charged multiple differential tuitions. For instance, a resident undergraduate engineering student at UW-Madison is charged both the undergraduate differential (\$1,000) and the School of Engineering differential (\$1,400). Additional revenues generated by a differential tuition are retained by the campus or program that generates them.

Differential tuitions that are charged to all undergraduate or all undergraduate and graduate students are reflected in Table 1. For example, resident undergraduate students at Eau Claire are charged base tuition of \$6,298 plus a differential tuition of \$1,063 for a total of \$7,361.

Table 2 shows differential tuitions charged in 2014-15 and the year in which each differential

Table 1: UW System Consolidated Schedule of Annual Tuition and Segregated Fees – 2014-15

	Tuition		Segregated Fees Paid by all Students	Total Tuition and Fees	
	Residents	Nonresidents		Residents	Nonresidents
DOCTORAL CLUSTER					
Undergraduate					
Madison	\$9,273	\$25,523	\$1,137	\$10,410	\$26,660
Milwaukee	8,091	17,820	1,300	9,391	19,120
Graduate					
Madison	\$10,728	\$24,054	\$1,137	\$11,865	\$25,191
Milwaukee	10,387	22,852	1,300	11,687	24,152
Madison -- Business	13,184	26,678	1,137	14,321	27,815
Milwaukee -- Business	11,781	24,316	1,300	13,081	25,616
Law	20,235	38,932	1,137	21,372	40,069
Medicine	23,807	33,704	1,137	24,944	34,841
Veterinary Medicine	17,925	24,769	1,137	19,062	25,906
COMPREHENSIVE CLUSTER					
Undergraduate					
Eau Claire	\$7,361	\$14,934	\$1,180*	\$8,541	\$16,114
Green Bay	6,298	13,871	1,460	7,758	15,331
La Crosse	7,585	15,158	1,036*	8,621	16,194
Oshkosh	6,422	13,995	1,015	7,437	15,010
Parkside	6,298	13,871	1,028	7,326	14,899
Platteville	6,418	13,991	908*	7,326	14,899
River Falls	6,428	14,001	1,176*	7,604	15,177
Stevens Point	6,298	13,871	1,189*	7,487	15,060
Stout**	234	492	34*	268	526
Superior	6,535	14,108	1,459	7,994	15,567
Whitewater	6,519	14,092	923*	7,442	15,015
Graduate					
Eau Claire	\$7,640	\$16,771	\$1,180	\$8,820	\$17,951
Green Bay	7,640	16,771	1,460	9,100	18,231
La Crosse	7,780	16,911	1,036	8,816	17,947
Oshkosh	7,640	16,771	1,015	8,655	17,786
Parkside	7,640	16,771	1,028	8,668	17,799
Platteville	7,640	16,771	908	8,548	17,679
River Falls	7,640	16,771	1,176	8,816	17,947
Stevens Point	7,640	16,771	1,189	8,829	17,960
Stout***	367	778	46	413	824
Superior	7,640	16,771	1,459	9,099	18,230
Whitewater	7,640	16,771	923	8,563	17,694
Business Masters					
Eau Claire	\$8,195	\$17,351	\$1,180	\$9,375	\$18,531
La Crosse	8,334	17,491	1036	9,370	18,527
Oshkosh	8,195	17,351	1015	9,210	18,366
Parkside	8,195	17,351	1028	9,223	18,379
Whitewater	8,195	17,351	923	9,118	18,274
COLLEGES					
Baraboo/Sauk	\$4,750	\$11,734	\$429	\$5,179	\$12,163
Barron	4,750	11,734	421	5,171	12,155
Fond du Lac	4,750	11,734	442	5,192	12,176
Fox Valley	4,750	11,734	269	5,019	12,003
Manitowoc	4,750	11,734	333*	5,083	12,067
Marathon	4,750	11,734	371	5,121	12,105
Marinette	4,750	11,734	350	5,100	12,084
Marshfield/Wood	4,750	11,734	359	5,109	12,093
Richland	4,750	11,734	493	5,243	12,227
Rock	4,750	11,734	368	5,118	12,102
Sheboygan	4,750	11,734	354	5,104	12,088
Washington	4,750	11,734	344	5,094	12,078
Waukesha	4,750	11,734	352	5,102	12,086

*There is an additional charge of \$148-\$240 for textbook rental on these campuses; on all other campuses, books are purchased by students.

** UW-Stout charges tuition and segregated fees on a per credit basis. In addition, UW-Stout charges all students a laptop fee of \$27 per credit. The fee is excluded from the amounts shown in the table.

Table 2: UW System Schedule of Differential Tuitions for the 2014-15 Academic Year

Institution	Program	Amount	Year Implemented
Madison	Doctor of Pharmacy	In 2014-15, residents pay \$4,429 above general resident graduate tuition, nonresidents pay \$3,560 above general nonresident graduate rate.	1997
Milwaukee	Communication Sciences and Disorders	Graduate tuition is set at 120% of the general graduate tuition rate.	1997
Milwaukee	Occupational Therapy	Graduate tuition is set at 120% of the general graduate tuition rate.	1997
Eau Claire	All Undergraduates	\$163 per year.	1997
La Crosse	Allied Health Programs	Graduate tuition in the occupational therapy, physician assistant, and physical therapy programs is set at 120% of the general graduate tuition rate.	1997
Stout	Customized instruction	Charges market rates for customized programs, certificates, and courses typically offered during the summer, evenings, or weekends.	1999
Stout	All Students	5% of resident undergraduate and graduate tuition, \$11.13 per credit for undergraduates and \$17.50 per credit for graduates in 2014-15.	1999
Whitewater	All Undergraduates	3.5% of resident undergraduate tuition, \$221 per year in 2014-15.	2002
La Crosse	All Students	\$140 per year in 2014-15, increases by 6% annually. Did not increase in 2013-14 and 2014-15 due to the tuition freeze.	2003
Superior	All Undergraduates	\$237 per year. Initially set at \$150 annually, but was increased to \$207 in 2008 and to the current amount in 2011.	2003
Oshkosh	All Undergraduates	\$124 per year in 2014-15, increases by 3% annually. Did not increase in 2013-14 and 2014-15 due to the tuition freeze.	2003
Milwaukee	Peck School of Arts	\$21.80 per credit for undergraduate courses other than those satisfying general education requirements.	2004
Milwaukee	College of Engineering and Applied Science	\$21.63 per credit for all undergraduate and graduate courses.	2004
Milwaukee	School of Business Administration	\$21.22 per credit for all 200 to 600 level courses.	2004
Milwaukee	College of Nursing	\$31.52 per credit for undergraduates enrolled in clinical major courses.	2004
Milwaukee	School of Architecture and Urban Planning	\$43 per credit for undergraduate and graduate 200 to 800 level courses, \$11.55 for 100 level courses.	2006
Madison	School of Business	\$1,000 per year for students enrolled in bachelor's degree program, \$300 per year for students enrolled in certificate program.	2007
River Falls	All Undergraduates	\$130 per year in 2014-15; would have increased to \$160 per year in 2013-14 had the Regents not been prohibited from increasing tuition.	2007
Madison	School of Engineering	\$1,400 per year for students enrolled in bachelor's degree programs.	2008
La Crosse	All Undergraduates	\$1,146 in 2014-15.	2008
Platteville	All Undergraduates	1.9% of resident undergraduate tuition, \$120 per year in 2014-15.	2008
Madison	All Undergraduates	\$1,000 for resident students and \$3,000 for nonresident students	2009
Eau Claire	All Undergraduates	\$900 in 2014-15; would have increased to \$1,200 beginning in 2013-14 if the Regents had not been prohibited from increasing tuition.	2010
Superior	Department of Natural Sciences	\$12 per credit.	2011

tuition was implemented. As shown by the table, the amount of a differential tuition can vary widely. For instance, all undergraduates at Oshkosh are charged a differential tuition of \$124 per year in 2014-15 compared to \$1,286 at La Crosse. Currently, 10 of the 13 four-year campuses (Eau Claire, La Crosse, Madison, Milwaukee, Oshkosh, Platteville, River Falls, Stout, Superior, and Whitewater) charge differential tuition.

Due to the tuition freeze imposed by the 2013-15 biennial budget and the 5.5% cap on tuition increases under the 2011-13 biennial budget, the Regents have not approved any new differential tuitions since February, 2011.

Tuition Rates for Special Programs

Students enrolled in certain courses or programs may be charged a tuition rate that is different than the general tuition rate charged by the institution shown in Table 1. Tuition for certain programs targeted to adult and graduate students may be set using "service-based pricing." These courses are priced to cover the direct cost of instruction such that students do not receive any institutional subsidy. Per-credit tuition charges for these programs are generally above the resident tuition rate. Because many service-based programs charge one rate to all students, tuition charged to nonresidents is often less than the general nonresident tuition rate.

Service-based pricing programs are currently offered by all UW institutions. In 2013-14, UW institutions served 18,032 adult students (undergraduates 25 years of age and older and graduate students 30 years of age and older) and 23,865 traditional aged students in courses and programs that covered at least the direct cost of instruction. These students accounted for approximately 253,400 credits generated across all UW institutions.

Students enrolled in online courses or pro-

grams may also be charged a higher tuition rate. At least six UW four-year institutions and the UW Colleges charge a per-credit online surcharge. These surcharges ranged from \$15 per credit to \$65 per credit in 2014-15.

Beginning in January, 2014, students have been able to enroll in self-paced, competency-based degree and certificate programs through the UW Flexible Option. UW Flexible Option programs do not use the traditional semester-based calendar and do not award credits. Instead, students enroll in three-month "subscription periods" and make progress towards a degree or certificate by demonstrating mastery of competencies.

Students enrolled in UW Flexible Option programs have two tuition options. The first, known as the "all-you-can-learn" option, allows students to complete as many competencies as they can during a three-month period for a flat rate of \$2,250. The second option allows students to complete a single competency set during a three-month period at a cost of \$900.

Reciprocity Tuition

Under the Minnesota-Wisconsin Higher Education Reciprocity Agreement, Minnesota residents can attend UW institutions without paying nonresident tuition. Instead, Minnesota students attending UW institutions are charged a "reciprocal fee" equal to the higher of the resident tuition charged at the institution in which the student is enrolled and the resident tuition at a comparable institution in the student's home state. Most Minnesota students are charged the Minnesota resident tuition rate which is generally higher than the resident tuition rate at a comparable UW institution. However, UW institutions only retain an amount of tuition equal to what a comparable resident student would have paid. Any tuition paid by Minnesota students in excess of the resident tuition rate is deposited in the state's general fund as GPR-earned. As a result, UW institutions

do not receive any more tuition revenue from a Minnesota resident student than from a Wisconsin resident student.

In fall, 2013, 14,694 Minnesota residents attended UW institutions under the reciprocity agreement. The agreement does not cover medical and veterinary students.

In addition to the Minnesota reciprocity program, which is statewide, UW-Marinette 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. In fall, 2013, 125 Michigan resident students attended UW-Marinette under this agreement.

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

Nonresident Tuition

Nonresident students not covered by a reciprocity agreement are charged higher tuition than resident students. In 2014-15, nonresident undergraduate students paid \$16,250 more than resident undergraduates at UW-Madison, \$9,729 more at UW-Milwaukee, \$7,573 more at the comprehensive institutions, and \$6,984 more at the UW Colleges. Tuition paid by these students exceeds the cost of educating them and can be used to subsidize 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, increases in nonresident tuition are limited by the amount nonresident students and their families are willing to pay. The UW System competes with other regional and, in some cases, national and international institutions for nonresident students. Setting nonresident tuition at a level that is not competitive with the rates charged by these

institutions may result in decreases in nonresident enrollment and related revenues.

With this in mind, the Board of Regents reduced nonresident tuition to below the peer midpoints in 2006-07 at Milwaukee, the comprehensive institutions, and the UW Colleges in an effort to attract more out-of-state students to those institutions. In 2014-15, nonresident undergraduate tuition at UW-Milwaukee is \$5,178 (21%) less than the peer midpoint while nonresident undergraduate tuition at the comprehensives is \$2,838 (16%) below the peer midpoint. In spite of these reductions, nonresident students continue to pay tuition in excess of instructional costs, thus subsidizing resident students.

Special Programs for Nonresidents

There are several special programs that allow non-Minnesota nonresidents to attend UW institutions without paying full nonresident tuition. Through these programs, nonresident students may receive a remission of nonresident tuition, may be exempted from paying nonresident tuition, or may be charged a differential tuition that is less than the full nonresident rate.

By statute, the Board of Regents can remit the nonresident portion of tuition to a limited number of nonresident undergraduate and graduate students who are either: (1) needy and worthy on the basis of merit; (2) deserving of relief due to extraordinary circumstances; or (3) needy and worthy foreign students and U.S. citizens not currently residing in the U.S. In addition, statutes permit the Regents to remit nonresident and resident tuition to athletes and to graduate students who are employed by the University as assistants or instructional academic staff with appointments of at least 33% or who are fellows. Additional information regarding tuition remissions is provided in the Legislative Fiscal Bureau's informational paper entitled "Student Financial Aid."

Statutes also permit the Board of Regents to

exempt up to 300 nonresident juniors and seniors enrolled at UW-Parkside and 225 nonresident students enrolled at UW-Superior from nonresident tuition through the Tuition Award Program (TAP). To be eligible for TAP, students must be enrolled in programs that have been identified as having surplus capacity. In 2013-14, 300 students enrolled at Parkside and 161 undergraduate and two graduate students enrolled at Superior through the TAP program.

In addition to these remissions and exemptions, there are three differential tuition programs that allow nonresident students to pay less than the full nonresident tuition rate. The Return to Wisconsin program, which began in fall, 2004, is a differential tuition pilot program for nonresident undergraduate 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 generally not less than the projected cost of a student's education. Participating institutions include Eau Claire, Green Bay, La Crosse, Oshkosh, Parkside, River Falls, Stevens Point, Stout, and Whitewater. In fall, 2013, 92 students attended UW institutions through the Return to Wisconsin program.

In 2005, Wisconsin joined the Midwest Student Exchange Program (MSEP). This program allows undergraduate and graduate students from participating states, including Illinois, Indiana, Kansas, Michigan, Missouri, Nebraska, and North Dakota, to attend colleges or universities in other participating states at a tuition rate of no more than 150% of resident tuition. All four-year UW institutions except Madison and Platteville currently participate in MSEP as do the UW Colleges Marinette and Rock County campuses. In fall, 2013, 2,025 undergraduate students and 62 graduate students attended UW institutions through MSEP.

Finally, in the fall of 2005, UW-Platteville implemented the Tri-State Initiative (TSI) which was designed to increase enrollment by 2,000 undergraduate students in 10 years. Through TSI, nonresident undergraduate students from Illinois and Iowa who have been admitted to certain programs of study are charged the resident tuition rate plus a premium of \$4,000 per year. In fall, 2013, 1,521 students enrolled in Platteville through the Tri-State Initiative.

Nonresident Enrollment

Table 3 shows the total number of nonresident students and the number of those students who were reciprocity students, received remissions, enrolled through a special program for nonresidents, or paid full nonresident tuition in fall, 2013. Of the 32,144 nonresident undergraduate students who were enrolled in the UW System in fall, 2013, 34% paid nonresident tuition. Of those nonresident undergraduate students who did not pay full nonresident tuition, 65.4% were Minnesota or Michigan residents enrolled under a reciprocity agreement, 19.3% enrolled through a special program for nonresident students, and 15.3% received a remission of nonresident tuition.

Enrollment of nonresident students not covered by reciprocity agreements has increased substantially in the last decade. This increase is likely due in part to the reduction in nonresident tuition and the implementation of the Return to Wisconsin, MSEP, and TSI programs. From 2004-05 to 2013-14, enrollment of nonresident, non-reciprocity undergraduate students at UW-Milwaukee, the comprehensive institutions, and the UW Colleges increased by 169%, from 3,662 to 9,852. Enrollment at UW-Madison, which does not participate in any special tuition programs for nonresidents increased by 36% over that time period.

Compared to nonresident undergraduate students enrolled at UW comprehensive institutions,

Table 3: Nonresident Students by Tuition Status (Fall 2013)

	Number of Nonresident Students	Nonresident Students			Paying Full Nonresident Tuition
		Reciprocity Students*	Receiving Remission	Enrolling Through Special Programs**	
Undergraduate					
Madison	11,606	3,209	704	0	7,693
Milwaukee	2,016	355	229	521	911
Comprehensives	17,913	10,172	2,279	3,553	1,909
UW Colleges	<u>609</u>	<u>159</u>	<u>30</u>	<u>25</u>	<u>395</u>
Subtotal	32,144	13,895	3,242	4,099	10,908
Graduate and Professional					
Madison	7,246	229	6,320	0	697
Milwaukee	1,556	76	1,057	0	423
Comprehensives	<u>1,938</u>	<u>494</u>	<u>269</u>	<u>64</u>	<u>1,111</u>
Subtotal	10,740	799	7,646	64	2,231
Total	42,884	14,694	10,888	4,163	13,139

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

** Includes the Midwest Student Exchange Program, the Return to Wisconsin program, the Tri-State Initiative, and the Tuition Award Program.

nonresident undergraduate students enrolled at Madison and Milwaukee are more likely to be charged full, nonresident tuition. This is because a smaller percentage of nonresident students enrolling at Madison and Milwaukee are Minnesota reciprocity students than at the comprehensive institutions (26% versus 57%). By contrast, a smaller fraction of nonresident graduate students at Madison and Milwaukee pay full, nonresident tuition than at the comprehensive institutions. This is due to the large proportion of Madison and Milwaukee graduate students who receive nonresident tuition remissions in exchange for work as teaching and research assistants.

Other Tuition Policies

With the exception of UW-Stout, UW System institutions charge students tuition using a "plateau system." Under this system, undergraduate students taking 12 to 18 credits are charged a flat, full-time rate and students taking less than 12 credits are charged a per credit fee equal to 1/12 of the full-time rate. Students taking more than 18 credits are charged per-credit for each additional credit.

Under the plateau system, part-time students generally pay more per credit than students enrolled full-time. For example, a full-time undergraduate student taking 15 credits will pay 20% less per credit than a part-time student enrolled in 12 credits or less.

The plateau system is also used for graduate students. In most cases, graduate students at Madison and Milwaukee pay the same price for eight or more credits while graduate students at the comprehensive institutions pay the same price for nine or more credits. The number of credits at which professional school students are charged full-time tuition varies.

Since 2002-03, UW-Stout has charged students on a per-credit basis. The Stout program was designed to be revenue neutral to the institution and most full-time students. Under the Stout program, part-time students do not pay more per credit than full-time students. Six additional institutions (Eau Claire, Green Bay, Oshkosh, Platteville, River Falls, and Superior) charge graduate students a per credit tuition rate during the summer session. The School of Pharmacy at

UW-Madison also charges a per credit tuition rate during summer session.

Since the fall of 2004, the Regents have charged Wisconsin resident undergraduates with excess cumulative credits a tuition surcharge. Students who have accumulated more than 165 credits are charged double the resident undergraduate per-credit rate for each additional credit. 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. This policy applies only to resident undergraduate students pursuing their first bachelors degree and only to credits earned at UW institutions or transferred from Wisconsin technical colleges.

Under state law, Wisconsin residents who are 60 years old or older may audit a course at no cost if there is space available in the course and the instructor approves. Students who audit a course attend course meetings but do not earn credit towards a degree.

Instructional Cost Per Student

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. Tuition combined with state general purpose revenue (GPR) make up the UW's instructional budget.

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 tuition. 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 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 per student calculation.

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.

Table 4 shows instructional cost per full-time student and tuition as a percentage of that cost by institution and student level for 2013-14. As shown in the table, the instructional cost per student varies considerably by both institution and student level. Systemwide, the average cost per undergraduate student was \$10,349 and ranged from \$7,691 at the UW Colleges to \$13,828 at Superior, a difference of 80%. Some of the possible reasons for variations in instructional costs amongst the institutions 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.

Because tuition is not set at a percentage of instructional costs, students at different institutions pay differing percentages of their instructional costs. Students at the institutions where instructional costs are the lowest, such as Oshkosh, Platteville, River Falls, Stevens Point, and Whitewater, pay a greater share of their educational costs than students at institutions with the highest instructional costs, including Madison, Parkside, and Superior. For example, while undergraduate students at Superior paid 47% of the cost of their education in 2013-14, students at Platteville paid 74%.

Despite paying a higher amount of tuition, undergraduate students at Madison pay a lower percentage of their instructional costs than the average for students at the comprehensive institutions due to the higher cost per student at that institution. By contrast, students at Milwaukee pay a greater share of their instructional costs than students at all other UW institutions. This is due in part to an increase in enrollment at that institution that was not paired with an increase in GPR funding.

Instructional costs also vary by student level.

On average, instructional costs for juniors and seniors are 47% higher than for freshmen and sophomores. As a result, freshman and sophomore students typically pay a higher portion of their instructional costs through tuition than upper-level students. Upper-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. In addition, instructional costs also vary by discipline. For example, costs per credit are higher for health sciences courses than for humanities and social sciences courses.

Nonresident students are charged tuition in excess of their instructional costs. In 2013-14, nonresident undergraduate students paid 186% of their instructional costs at UW-Madison, 182% of instructional costs at UW-Milwaukee, and between 102% and 162% of their instructional costs at the comprehensive institutions and the UW Colleges. These students provided a subsidy for resident undergraduate students who paid between 47% and 83% of their instructional costs.

Tuition and the State Biennial Budget

In both the 2011-13 and 2013-15 biennia, the biennial budget act limited the amount by which the Board of Regents may increase resident undergraduate tuition. During the 2011-13 biennium, tuition increases for resident undergraduates were capped at 5.5% annually, equal to the amount by which base resident undergraduate tuition for UW four-year institutions had been increased in the previous four years. During the 2013-15 biennium, tuition for resident undergraduate students was frozen at the 2012-13 level in response to concerns regarding the UW's program revenue balances. Consistent with past biennia, there were no statutory restrictions on the

Table 4: 2013-14 Instructional Cost Per Student and Percent of Cost Paid by Tuition

	Undergraduate							Graduate				
	Resident Tuition	Cost Per Student						Resident Tuition	Cost Per Student			
		Freshman/Sophomore	Junior/Senior	All Levels		Master's	Ph.D.					
Madison*	\$9,273	\$10,787	86.0%	\$15,598	59.4%	\$13,710	67.6%	\$10,728	\$23,559	45.5%	\$21,244	50.5%
Milwaukee	8,091	7,402	109.3	11,854	68.3	9,812	82.5	10,387	21,624	48.0	26,268	39.5
Doctoral Average	8,805	9,319	94.5	14,219	61.9	12,168	72.4	10,603	22,851	46.4	22,018	48.2
Eau Claire	7,361	8,960	82.2	11,359	64.8	10,219	72.0	7,640	16,362	46.7		
Green Bay	6,298	8,127	77.5	11,261	55.9	9,890	63.7	7,640	9,447	80.9		
La Crosse	7,585	8,178	92.7	11,537	65.7	9,848	77.0	7,780	15,096	51.5		
Oshkosh	6,422	6,952	92.4	10,970	58.5	9,063	70.9	7,640	13,540	56.4		
Parkside	6,298	10,304	61.1	13,351	47.2	11,814	53.3	7,640	11,578	66.0		
Platteville	6,418	7,534	85.2	9,945	64.5	8,660	74.1	7,640	11,884	64.3		
River Falls	6,428	8,040	80.0	10,055	63.9	9,094	70.7	7,640	13,106	58.3		
Stevens Point	6,298	7,514	83.8	9,681	65.1	8,663	72.7	7,640	15,158	50.4		
Stout	7,014	8,307	84.4	11,185	62.7	9,826	71.4	6,613	16,464	40.2		
Superior	6,535	11,675	56.0	15,317	42.7	13,828	47.3	7,640	17,311	44.1		
Whitewater	6,519	7,115	91.6	10,592	61.5	8,855	73.6	7,640	11,920	64.1		
Comprehensive Average	6,721	8,015	83.9	11,010	61.0	9,563	70.3	7,522	13,946	53.9		
Colleges Average	4,750	7,691	61.8			7,691	61.8					
System Average	7,317	8,357	87.6	12,307	59.5	10,349	70.7	9,422	19,438	48.5		

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

amount by which the Regents could increase tuition for graduate, nonresident, and other students; however, the Regents acted to freeze tuition rates for these students in both 2013-14 and 2014-15.

In addition to the most recent two biennia, the 1999-01, 2001-03, and 2003-05 biennial budget acts and the 2001-03 budget adjustment act also included provisions that directly affected tuition rates. In the 1999-01 biennial budget, the Legislature provided \$28 million GPR in 2000-01 to the University to fund a one-year freeze in resident undergraduate tuition. Conversely, the 2001-03 biennial budget required the Board of Regents to increase tuition for nonresident undergraduates by 5% annually. During the same biennium, tuition increases for resident undergraduates were limited to 8% in 2002-03 by the budget adjustment act. Under the 2003-05 biennial budget, the Regents were prohibited from increasing annual tuition by more than \$700 for resident undergraduates at UW-Madison and UW-Milwaukee or by more than \$500 for resident undergraduate students at all other UW institutions during the 2003-04 and 2004-05 academic years.

While several recent biennial budgets specifically limited resident undergraduate tuition increases, other state budget acts have also affected tuition rates in a less direct manner. The UW's instructional budget is funded primary through a combination of GPR funds and tuition revenues. Changes in the level of GPR support for the University, as well as changes in costs and other factors, can result in changes in tuition. The Legislature may influence tuition rates through the biennial budget process by determining the level of GPR support provided for the University and, in previous biennia, the University's tuition revenue authority.

The budget process begins with the UW System's biennial budget request which is approved by the Regents in August of even-numbered

years. Until the current biennium, most requests for instructional funding included in the UW System's budget request reflected a sharing of costs between tuition (academic student fees) and state GPR. Following the Regent tuition policy principles, which are shown in the appendix to this paper, the Regents generally request that 65% of instructional and related items be funded with state GPR and the remaining 35% be funded with tuition (academic student fees). This is known as the GPR/fees split. Because this cost-sharing is not statutory, the Regents are free to propose changes in the ratio of tuition to GPR and have done so in prior budgets. In the current biennium, the Regents did not request any increases in tuition revenue authority even though their request included certain instructional items.

Historically, the Regents have not included a proposed percentage increase in resident undergraduate tuition in their budget request. One reason for this is that compensation adjustments for UW employees are approved by the Joint Committee on Employment Relations (JCOER) through a process separate from the biennial budget process. Due to the manner in which UW employee salaries are funded, increases in UW employee compensation and fringe benefit costs typically contribute to tuition increases. Without knowing the amount by which salary and fringe benefit costs will increase, the Regents are not able to estimate the amount by which tuition would have to increase to fund those costs.

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 and GPR support, when the amount of GPR provided is less than requested, increases in tuition may be higher. Conversely, when the amount of GPR provided is greater than requested by the Regents, tuition increases can be smaller.

Prior to the 2011-13 biennium, the Legislature also influenced tuition increases by limiting the amount of tuition revenue the Board of Regents could spend or limiting the purposes for which tuition could be increased. Until 2011-12, tuition revenues were deposited in a separate program revenue appropriation titled "academic student fees." Through 1996, the appropriation for academic student fees 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 approved by the Joint Committee on Employment Relations (JCOER). Excess tuition revenue collected could only be expended with prior approval of the Secretary of the Department of Administration and the Joint Committee on Finance. Under this mechanism the Legislature was able to limit tuition increases by limiting the amount of tuition revenues that could be spent in any given year.

In 1997, the academic student fees appropriation was modified to permit the UW System to spend excess tuition revenues up to 4% of the amount 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 meant that the University could expend all monies received under the appropriation without limit and without the prior approval of the Legislature, the Joint Committee on Finance, or the Secretary of the Department of Administration.

This change also allowed the UW System to carryover unexpended tuition revenues from one year to the next creating a tuition revenue balance. Beginning in 2014, the Board of Regents have been required to report the tuition revenue balances held by each institution and those balances as a percentage of each institution's state GPR and tuition expenditures less GPR debt service. As of June 30, 2014, tuition revenue balances held by UW institutions totaled \$395.4 million. Table 5 shows tuition revenue balances

by institution and those balances as a percentage of each institution's GPR and tuition expenditures less GPR debt service.

Under 1999 Act 9, the Board of Regents was prohibited from increasing resident undergraduate tuition beyond an amount sufficient to fund certain items including the amount in the appropriation schedule for academic students fees and the tuition portion of the JCOER-approved pay plan. This allowed the Legislature to maintain some control over tuition increases through the budget process.

The academic student fees appropriation was deleted under 2011 Act 32. Beginning in 2011-12, tuition revenues have been deposited in a continuing, all monies received, program revenue appropriation for general program operations. Revenues from UW auxiliary enterprises, such as residence halls, parking, students unions, and athletics, UW-Extension programs, and other general operating receipts are also deposited in

Table 5: Tuition Revenue Balances by Institution as of June 30, 2014

	Tuition Revenue Balance	Balance as a % of GPR and Tuition Expenditures*
Eau Claire	\$18,189,387	15.2 %
Green Bay	9,131,468	16.2
La Crosse	23,305,221	20.9
Madison	84,561,883	8.1
Milwaukee	56,452,593	15.1
Oshkosh	15,777,042	15.3
Parkside	8,473,025	18.2
Platteville	12,600,373	15.5
River Falls	8,990,387	14.5
Stevens Point	18,571,383	19.4
Stout	1,991,358	2.1
Superior	2,153,055	5.8
Whitewater	30,922,636	26.6
UW Colleges	18,737,040	23.3
UW Extension	8,632,294	14.9
UW Systemwide	<u>76,909,127</u>	NA
UW System Total	\$395,398,272	15.8%

*Excludes GPR debt service.

that appropriation.

As noted above, resident undergraduate tuition was frozen by law at the 2012-13 level for the 2013-15 biennium. Unless modified by the Legislature during the 2015-17 session, there will be no limits on the Regents' authority to set resident undergraduate tuition beginning in the 2015-16 academic year under current law.

Tuition Setting Process

After instructional costs have been budgeted and the level of GPR support is known, a systemwide tuition revenue target is established. The University then determines the amount of tuition that will be charged to different classes of students, as defined by resident status and academic level, to generate that amount of tuition revenue. Tuition increases often vary from one class of students to another: for example, in 2012-13, the most recent year in which tuition was increased, resident undergraduate tuition increased by 5.5% (excluding increases in differential tuition charges) while tuition was frozen for nonresident graduate students.

In general, dollar increases in tuition for nonresident undergraduates and resident graduate students have been the same as for resident undergraduates, excluding certain differential tuition charges. Percentage increases for these students have been smaller than for resident undergraduates because these dollar increases are applied to the relatively higher tuition rates.

When collected, tuition revenues are pooled with state GPR funds and these pooled funds make up the University's base budget. Each institution has a GPR/fees budget, which is based on their prior year budgets, changes in the state budget, and other factors, and a tuition revenue target. If an institution does not meet its tuition revenue target, the institution is responsible for the shortfall.

Historic Tuition Rates and Tuition Increases

Table 6 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 1994-95 to 2014-15. Annualized increases in tuition and CPI are shown for the entire 20-year period as well as the periods from 1994-95 to 2004-05 and from 2004-05 to 2014-15 at the bottom of the table. Tuition rates shown in Table 6 include differential tuitions charged to all resident undergraduate students. Differential tuitions charged only to certain students are excluded.

As shown in the table, tuition increases for resident undergraduate students at UW-Madison, UW-Milwaukee, and the comprehensive institutions have exceeded increases in CPI in every year since 1994-95 except for 2000-01, 2013-14, and 2014-15 when the Legislature froze tuition. In addition, annualized tuition increases for all UW System institutions over the twenty-year period shown were more than twice the annualized increase in the CPI while annualized increases at UW-Madison were nearly three times the annualized increase in CPI. The table also shows that, in general, tuition increases have been smaller in the most recent 10 years than in the prior 10 years. This difference is largely the result of above average tuition increases during the 2003-05 biennium and the tuition freeze during the 2013-15 biennium.

Table 6 also shows resident undergraduate tuition as a percentage of the instructional cost per student. As shown in the table, tuition as a percent of instructional cost has risen from between 30% and 33% in 1994-95 to between 61% and 83% in 2013-14, the most recent year for which data is available.

Tables 7 and 8 show undergraduate and graduate student tuition for resident and nonresident

students, excluding tuition for the professional schools of law, medicine and veterinary medicine and for pharmacy and business master's students, from 2004-05 to 2014-15. As shown in Table 8, nonresident graduate tuition has been frozen at all institutions since 2008-09. Tuition for medical and veterinary students (not shown) has similarly been frozen since 2010-11. Meanwhile, tuition at the law school, the pharmacy school, and for UW-Madison School of Business masters programs has increased by greater amounts than resident undergraduate and graduate tuition to support certain initiatives.

Primary Causes of Tuition Increases

Table 9 shows tuition increases for resident undergraduates and the primary causes of these increases for the most recent 10 years. As shown in the table, the primary causes of tuition increases over the past decade have been as follows:

- **Salary increases and fringe benefit costs for faculty and academic staff.** The salaries of most UW employees whose duties are related to the University's instructional mission are funded through the GPR/fees pool. In general, when salary and fringe benefit increases are approved for these employees, GPR is provided to fund a portion of the cost of the increase. The remainder of the cost of the increase must be funded by additional tuition revenues resulting in tuition increases. Table 9 shows salary increases for faculty and academic staff provided as part of the state compensation plan. As shown in the table, the state compensation plan did not provide salary increases for faculty and academic staff in four of the most recent 10 years. However, tuition was increased in each of those years to fund increases in fringe benefit costs for faculty and academic staff.

In contrast, the implementation of furloughs during the 2009-11 biennium and increases in

employee contributions to health insurance and pension programs beginning in the 2011-13 biennium lowered the University's salary and fringe benefit costs resulting in tuition savings. These savings were used to offset reductions to the University's GPR base budget in both biennia.

For the 2015-16 year, it is estimated that a 1% increase in salary for GPR and GPR/fees positions would cost \$13.1 million. Using the traditional GPR/fees split, such an increase would be funded by an additional \$9.3 million GPR and \$3.8 million of additional tuition revenues. By comparison, increasing base tuition for state-supported resident undergraduate students by 1% and increasing tuition for other students by the same dollar amount would generate an additional \$7.5 million in tuition revenues.

Additional information on faculty and academic staff compensation is contained in the Legislative Fiscal Bureau informational paper entitled "University of Wisconsin System Overview."

- **Offset Reductions to the GPR base.** Four of the five most recent biennial budget acts made significant reductions to the UW System's GPR base budget. During the 2009-11 and 2011-13 biennia, the Board of Regents increased tuition to partially offset GPR base reductions. Under 2009 Act 28, the UW System's GPR base budget was reduced by approximately \$60 million annually. Tuition was increased to generate \$35 million in 2009-10 and an additional \$15.5 million in 2010-11 to partially offset this reduction. During the 2011-13 biennium, the Board of Regents was permitted to increase resident undergraduate tuition by 5.5% annually. These increases allowed the University to generate approximately \$37.5 million in 2011-12 and an additional \$34.5 million in 2012-13 in tuition revenues to partially offset GPR base budget reductions of \$125 million annually.

Table 6: Annual Tuition for Resident Undergraduate Students

Year	Madison		Milwaukee		Comprehensives		Colleges		% of Instructional Cost				Change in CPI-U 1994 thru 2014*
	Amount	% Increase	Amount	% Increase	Amount	% Increase	Amount	% Increase	Madison	Milwaukee	Comp.	Colleges	
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	2,440	5.5	2,097	7.2	35.0	38.1	36.2	37.8	1.6
1999-00	3,290	9.6	3,194	6.9	2,620	7.4	2,264	8.0	37.6	38.6	36.9	39.0	2.2
2000-01	3,290	0.0	3,194	0.0	2,620	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	2,803	7.0	2,422	7.0	39.7	40.9	37.1	38.3	2.8
2002-03	3,854	8.0	3,738	8.0	3,041	8.5	2,700	11.5	44.9	40.7	38.1	40.4	1.6
2003-04	4,554	18.2	4,438	18.7	3,564	17.2	3,200	18.5	47.6	49.8	45.9	49.6	2.3
2004-05	5,254	15.4	5,138	15.8	4,077	14.4	3,700	15.6	52.3	58.5	49.5	57.3	2.7
2005-06	5,618	6.9	5,494	6.9	4,358	6.9	3,977	7.5	54.0	62.9	53.3	56.6	3.4
2006-07	6,000	6.8	5,868	6.8	4,652	6.7	4,268	7.3	53.9	65.6	54.3	57.2	3.2
2007-08	6,330	5.5	6,191	5.5	4,912	5.6	4,268	0.0	53.4	66.3	55.1	53.7	2.8
2008-09	6,678	5.5	6,531	5.5	5,248	6.8	4,268	0.0	52.4	65.3	58.1	55.1	3.8
2009-10	7,296**	9.3	6,890	5.5	5,589	6.5	4,268	0.0	53.7	66.2	62.5	57.2	-0.4
2010-11	7,933**	8.7	7,269	5.5	5,963	6.7	4,268	0.0	58.0	71.2	65.1	55.4	1.6
2011-12	8,592**	8.3	7,669	5.5	6,333	6.2	4,503	5.5	64.8	78.9	70.4	63.7	3.2
2012-13	9,273**	7.9	8,091	5.5	6,723	6.2	4,750	5.5	66.7	79.8	72.1	66.2	2.1
2013-14	9,273**	0.0	8,091	0.0	6,723	0.0	4,750	0.0	67.6	82.5	70.3	61.8	1.5
2014-15	9,273**	0.0	8,091	0.0	6,723	0.0	4,750	0.0	NA	NA	NA	NA	1.9

Annualized Rate of Change

	Tuition				CPI-U
1994-95 thru 2014-15	7.0%	6.4%	6.5%	5.7%	2.4%
1994-95 thru 2004-05	8.1%	8.1%	7.8%	9.0%	2.5%
2004-05 thru 2014-15	5.8%	4.6%	5.1%	2.5%	2.3%

* Through October, 2014.

** Includes a differential tuition charged to all undergraduates.

Table 7: Tuition for Undergraduate Students

Year	Madison				Milwaukee				Comprehensives			
	Resident		Nonresident		Resident		Nonresident		Resident		Nonresident*	
	Amount	% Change	Amount	% Change	Amount	% Change	Amount	% Change	Amount	% Change	Amount	% Change
2004-05	\$5,254	15.4%	\$19,254	3.8%	\$5,138	15.8%	\$17,890	4.1%	\$4,077	14.4%	\$14,111	3.8%
2005-06	5,618	6.9	19,618	1.9	5,494	6.9	18,246	2.0	4,358	6.9	14,470	2.5
2006-07	6,000	6.8	20,000	1.9	5,868	6.8	15,470	-15.2	4,652	6.7	12,107	-16.3
2007-08	6,330	5.5	20,580	2.9	6,191	5.5	15,919	2.9	4,912	5.6	12,462	2.9
2008-09	6,678	5.5	20,928	1.7	6,531	5.5	16,259	2.1	5,248	6.8	12,811	2.8
2009-10	7,296	9.3	22,045	5.3	6,890	5.5	16,619	2.2	5,589	6.5	13,141	2.6
2010-11	7,933	8.7	23,183	5.2	7,269	5.5	16,998	2.3	5,963	6.7	13,466	2.5
2011-12	8,592	8.3	24,342	5.0	7,669	5.5	17,398	2.4	6,333	6.2	13,803	2.5
2012-13	9,273	7.9	25,523	4.9	8,091	5.5	17,820	2.4	6,723	6.2	14,163	2.6
2013-14	9,273	0.0	25,523	0.0	8,091	0.0	17,820	0.0	6,723	0.0	14,163	0.0
2014-15	9,273	0.0	25,523	0.0	8,091	0.0	17,820	0.0	6,723	0.0	14,163	0.0
Total % Increase		76.5%		32.6%		57.5%		-0.4%		64.9%		0.4%
Annualized Increase		5.8		2.9		4.6		0.0		5.1		0.0

*Average tuition calculated using nonresident undergraduate enrollment by institution. 2014-15 tuition estimated using 2013-14 nonresident undergraduate enrollment.

Table 8: Tuition for Graduate Students

Year	Madison				Milwaukee				Comprehensives*			
	Resident		Nonresident		Resident		Nonresident		Resident		Nonresident	
	Amount	% Change	Amount	% Change	Amount	% Change	Amount	% Change	Amount	% Change	Amount	% Change
2004-05	\$7,708	10.0%	\$22,978	3.1%	\$7,434	10.4%	\$21,800	3.3%	\$5,342	10.3%	\$15,952	3.2%
2005-06	8,072	4.7	23,342	1.6	7,790	4.8	22,156	1.6	5,619	5.2	16,229	1.7
2006-07	8,454	4.7	23,742	1.7	8,164	4.8	22,530	1.7	5,910	5.2	16,520	1.8
2007-08	8,784	3.9	24,054	1.3	8,486	3.9	22,852	1.4	6,161	4.2	16,771	1.5
2008-09	9,132	4.0	24,054	0.0	8,826	4.0	22,852	0.0	6,426	4.3	16,771	0.0
2009-10	9,500	4.0	24,054	0.0	9,186	4.1	22,852	0.0	6,706	4.4	16,771	0.0
2010-11	9,887	4.1	24,054	0.0	9,565	4.1	22,852	0.0	7,001	4.4	16,771	0.0
2011-12	10,296	4.1	24,054	0.0	9,965	4.2	22,852	0.0	7,312	4.4	16,771	0.0
2012-13	10,728	4.2	24,054	0.0	10,387	4.2	22,852	0.0	7,640	4.5	16,771	0.0
2013-14	10,728	0.0	24,054	0.0	10,387	0.0	22,852	0.0	7,640	0.0	16,771	0.0
2014-15	10,728	0.0	24,054	0.0	10,387	0.0	22,852	0.0	7,640	0.0	16,771	0.0
Total % Increase		39.2%		4.7%		39.7%		4.8%		43.0%		5.1%
Annualized Increase		3.4		0.5		3.4		0.5		3.6		0.5

*UW-La Crosse charges resident and nonresident graduate students an additional \$140.

Table 9: Tuition Increases and Related Items

	Tuition Increases for Resident Undergraduates*	Faculty and Academic Staff Pay Plan	Causes of Tuition Increases
2005-06	6.9% at all four years, 7.5% at UW Colleges	2.0%	1. Pay plan and fringe benefits (3.3%) 2. Fuel and utilities (3.1%) 3. Student technology fee (0.5%)
2006-07	6.8% at all four years, 7.3% at UW Colleges	4.3%	1. Fuel and utilities (4.1%) 2. Pay plan and fringe benefits (2.4%) 3. Student technology fee (0.3%)
2007-08	0% at UW Colleges, 5.5% at all other institutions	2.0%	1. Pay plan and fringe benefits (4.5%) 2. Fuel and utilities (0.8%) 3. High demand faculty (0.2%)
2008-09	0% at UW Colleges, 5.5% at all other institutions	1.0%	1. Veterans remissions (2.9%) 2. Growth agenda (1.3%) 3. Fuel & utilities (0.6%) 4. Pay plan and fringe benefits (0.3%) 5. High demand faculty (0.2%) 6. Other budget changes (0.2%)
2009-10	0% at UW Colleges, 5.5% at all other institutions	0.0%	1. Recession of the 2% salary increase and implementation of furlough (-4.8%) 2. Tuition offset to base reduction (5.7%) 3. Pay plan and fringe benefits (3.6%) 4. Veterans remissions (0.3%) 5. High demand faculty and staff (0.3%) 6. Other budget changes (fuel & utilities and student technology fee) (0.4%)
2010-11	0% at UW Colleges, 5.5% at all other institutions	0.0%	1. Fringe benefits (2.5%) 2. Tuition offset to base reduction (2.4%) 3. High demand faculty and staff (0.2%) 4. Other budget changes (fuel & utilities and student technology fee) (0.4%)
2011-12	5.5% at all institutions	0.0%	1. Increased employee contribution to health insurance and pension (-3.1%) 2. Offset GPR base reduction (7.8%) 3. Increase in health insurance costs (0.8%)
2012-13	5.5% at all institutions	0.0%	1. Offset GPR base reduction (4.8%) 2. Increases in health insurance costs (0.7%)
2013-14	0% at all institutions	1.0%	Resident undergraduate tuition was frozen by the Legislature.
2014-15	0% at all institutions	1.0%	Resident undergraduate tuition was frozen by the Legislature.

* Excludes differential tuitions.

- **Fuel and utilities costs.** 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 utility expenses. Increases in fuel and utility costs also contributed to tuition increases during the 2007-09 and 2009-11 biennia.

- **Instructional and other initiatives.** The 2007-09 biennial budget provided \$7.9 million in additional tuition revenue expenditure authority to support the instructional initiatives related to the UW System's growth agenda. The 2007-09 and 2009-11 biennial budgets provided \$3.1 million and \$5.3 million, respectively, in additional tuition revenue expenditure authority to support competitive compensation for faculty and academic staff in high-demand academic disciplines.

- **Tuition remissions for veterans.** In 2008-09, tuition was increased to generate \$18 million in revenues to offset forgone revenue resulting from tuition and fees remissions provided to veterans. Tuition was increased by an additional \$2 million in 2009-10 to offset these remissions. Additional information on tuition remissions for veterans can be found in the Legislative Fiscal Bureau informational paper entitled "Student Financial Aid."

- **Student technology fee.** An instructional technology fee was implemented at UW-Madison in 1993-94 and at all other UW four-year institutions in 1995-96. This fee is set as a percentage of overall tuition (2.5% at Madison and 2.0% at all other institutions) such that the fee increases as tuition increases. Because of the way it is calculated, tuition increases attributable to the student technology fee are generally quite small.

Tuition Revenues

Table 10 shows 2013-14 estimated tuition revenues less remissions by student level and resident status. Tuition received from Minnesota reciprocity students is included in the "Residents" column. While non-Minnesota nonresident undergraduates made up only 11.6% of the undergraduate population systemwide based on fall, 2013, enrollment, it is estimated that these students generated 25.8% of undergraduate student tuition revenues. At Madison, these students represent approximately 26.8% of the undergraduate population but generated 50.6% of undergraduate tuition revenues. These figures demonstrate the relative importance of out-of-state students, particularly those at Madison, to the tuition revenue pool. Madison, with its relatively high nonresident enrollment, generates an estimated 36% of total systemwide tuition revenue despite enrolling only 24% of all students in the UW System.

Table 10: Estimated Tuition Revenues Less Remissions, 2013-14

	Tuition Revenue	% Paid by:	
		Residents**	Nonresidents
Madison			
Undergraduate	\$394,934,308	49.4%	50.6%
Graduate	106,201,355	48.9	51.1
Milwaukee			
Undergraduate	175,393,825	86.5	13.5
Graduate	36,948,493	63.2	36.8
Comprehensive Institutions			
Undergraduate	568,489,081	85.9	14.1
Graduate	39,999,668	63.8	36.2
Colleges			
Undergraduate	<u>52,207,798</u>	94.1	5.9
Total	\$1,374,174,528	71.7%	28.3%

*Excludes summer and other special sessions.

**Includes Minnesota reciprocity students.

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 student unions and student centers, student health services, student activities and organizations, intercollegiate and recreational sports, parking and transportation services, and child care. 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 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 an institution-by-institution and campus-by-campus basis. Chancellors, in consultation with students at each institution, are responsible for defining the allocable and nonallocable 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 2014-15, annual segregated fees at the four-year institutions range from \$908 at Platteville to \$1,460 at Green Bay and fees at the UW Colleges range from \$269 to \$493. Table 11 shows segregated fees charged at each of the four-year institutions from 2004-05 to 2014-15. The table also compares annualized increases in segregated fees charged to annualized tuition increases. At most institutions, segregated fees have increased at a faster rate than tuition.

In general, institutions with larger increases in segregated fees have had large, segregated fee

supported building or renovation projects within the last decade. Eau Claire, Stevens Point, and Superior all undertook student union building or renovation projects during the time period shown and consequently segregated fees at those institutions doubled. At Oshkosh, the fourth institution where segregated fees doubled over the time period shown, segregated fees were increased to support the construction of a new health and wellness center.

In addition to tuition and segregated fees, students who choose to live on campus must also pay room and board charges. Table 12 shows these charges by institution for 2004-05 to 2014-15.

Comparative Statistics

Peer comparisons are frequently used in evaluating tuition charged at UW System institutions. The public universities belonging to the Big Ten conference 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 institutions across the nation. The peer group for the UW comprehensive institutions includes other public universities in the Midwest.

Historically, UW-Madison's resident undergraduate tuition and fees have been lower than resident tuition at all other public Big Ten universities except the University of Iowa. However, with the implementation of a \$1,000 differential tuition charged to all resident undergraduate students between 2009-10 to 2012-13 and the inclusion of Rutgers University and the Universities of Maryland and Nebraska in the Big Ten conference, UW-Madison resident undergraduate tuition and fees are now close to the midpoint of the peer group. Table 13 shows that in 2014-15, resident undergraduate tuition and fees at UW-

Table 11: Segregated Fees by Campus, 2004-05 to 2014-15

	Madison	Milwaukee	Eau Claire	Green Bay	La Crosse	Oshkosh	Parkside	Platteville	River Falls	Stevens Point	Stout	Superior	Whitewater
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
2009-10	1,014	812	922	1,250	904	872	912	848	954	1,031	739	1,165	801
2010-11	1,050	832	1,053	1,314	918	905	960	864	1,020	1,050	782	1,300	831
2011-12	1,073	1,006	1,095	1,312	951	905	960	887	1,063	1,040	849	1,329	863
2012-13	1,105	1,090	1,128	1,350	987	929	989	897	1,129	1,071	877	1,363	859
2013-14	1,130	1,209	1,146	1,378	1,010	979	1,018	901	1,149	1,109	908	1,411	906
2014-15	1,137	1,300	1,180	1,460	1,036	1,015	1,028	908	1,176	1,189	953	1,459	923
Total % Increase	87.0%	87.6%	104.9%	26.5%	46.7%	102.2%	58.6%	35.1%	86.7%	109.0%	80.5%	123.8%	66.0%
Annualized Increase	6.5	6.5	7.4	2.4	3.9	7.3	4.7	3.1	6.4	7.6	6.1	8.4	5.2
Tuition													
Total % Increase	76.5	57.5	78.2	57.5	87.7	56.3	57.5	60.5	60.7	57.5	57.7	57.5	57.5
Annualized Increases	5.8	4.6	5.9	4.6	6.5	4.6	4.6	4.8	4.9	4.6	4.7	4.6	4.6

*UW-Stout charges tuition and segregated fees on a per credit basis. Segregated fees shown are for 28.3 credits.

*UW-Stout charges tuition and segregated fees on a per credit basis. Segregated fees shown are for 28.3 credits.

Table 12: Room and Board Fees by Campus, 2004-05 to 2014-15

	Madison	Milwaukee	Eau Claire	Green Bay	La Crosse	Oshkosh	Parkside	Platteville	River Falls	Stevens Point	Stout	Superior	Whitewater
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	5,024	4,642	4,200	5,020	5,015	5,010	4,329	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
2009-10	7,157	6,838	5,630	5,000	5,630	5,864	5,750	5,002	5,330	5,612	5,336	5,085	5,028
2010-11	7,435	7,018	5,770	5,450	5,630	5,976	5,974	5,208	5,530	5,760	5,560	5,330	5,402
2011-12	7,724	8,182	5,947	5,700	5,930	6,128	6,192	6,042	5,715	6,002	5,844	5,420	5,554
2012-13	8,024	8,594	6,182	5,950	6,000	6,248	6,382	6,440	5,957	6,158	6,054	5,610	5,786
2013-14	8,287	8,836	6,465	6,200	5,950	6,460	6,572	6,770	6,198	6,238	6,234	5,780	5,900
2014-15	8,546	8,894	6,775	6,200	5,910	6,702	6,696	7,050	6,384	6,390	6,434	6,085	6,144
Total % Increase	58.8%	110.3%	64.0%	61.0%	30.8%	55.4%	38.1%	62.9%	55.0%	56.1%	52.0%	40.1%	57.9%
Annualized Increase	4.7	7.7	5.1	4.9	2.7	4.5	3.3	5.0	4.5	4.6	4.3	3.4	4.7

Table 13: Annual Tuition and Fees at Midwestern Public Big Ten Universities (Including Segregated Fees)*

	Undergraduate			Graduate		
	2013-14	2014-15	% Change	2013-14	2014-15	% Change
Resident Students						
Pennsylvania State	\$16,992	\$17,502	3.0%	19,172	19,746	3.0%
Illinois	15,258	15,602	2.3	15,198	15,560	2.4
Minnesota	13,555	13,560	0.0	16,416	16,853	2.7
Rutgers	13,499	13,813	2.3	17,515	17,922	2.3
Michigan	13,142	13,486	2.6	19,792	20,406	3.1
Michigan State	12,863	13,200	2.6	14,910	15,504	4.0
UW-Madison	10,403	10,410	0.1	11,858	11,865	0.1
Indiana	10,209	10,388	1.8	9,247	9,497	2.7
Ohio State	10,037	10,037	0.0	12,425	12,425	0.0
Purdue	9,992	10,002	0.1	9,992	10,002	0.1
Maryland	9,161	9,428	2.9	12,905	13,530	4.8
Iowa	8,061	8,079	0.2	9,523	9,507	-0.2
Nebraska	7,975	8,070	1.2	8,266	8,350	1.0
Average (excl. WI)	\$11,729	\$11,931	1.7	\$13,780	\$14,109	2.4
Mid-Point (excl. WI)	\$11,536	\$11,794		\$13,908	\$14,517	
UW Distance to Mid-Point	-\$1,133	-\$1,384		-\$2,050	-\$2,652	
Nonresident Students						
Michigan	\$40,392	\$41,906	3.7%	\$39,798	\$40,892	2.7%
Michigan State	33,750	34,965	3.6	29,286	30,456	4.0
Indiana	32,350	33,241	2.8	25,153	26,595	5.7
Illinois	29,640	30,228	2.0	28,690	29,282	2.1
Pennsylvania State	29,566	30,452	3.0	32,148	33,110	3.0
Purdue	28,794	28,804	0.0	28,794	28,804	0.0
Maryland	28,347	29,721	4.8	26,165	27,450	4.9
Rutgers	27,523	28,591	3.9	27,667	28,770	4.0
Iowa	26,931	27,409	1.8	26,107	26,389	1.1
UW-Madison	26,653	26,660	0.0	25,184	25,191	0.0
Ohio State	25,757	26,537	3.0	30,089	30,969	2.9
Nebraska	21,302	21,990	3.2	20,428	21,082	3.2
Minnesota	19,805	20,810	5.1	24,398	25,075	2.8
Average (excl. WI)	\$28,680	\$29,555	3.1	\$28,227	\$29,073	3.0
Mid-Point (excl. WI)	\$28,571	\$29,263		\$28,179	\$28,787	
UW Distance to Mid-Point	-\$1,918	-\$2,603		-\$2,995	-\$3,596	

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

Madison ranked seventh out of the 13 public Big Ten institutions. Despite this, resident tuition and fees remained below the peer midpoint by \$1,384

Tuition and fees for nonresident undergraduate students and graduate students at UW-Madison all rank in the bottom half of the peer group in 2014-15. Nonresident undergraduate

tuition and fees ranked tenth out of the 13 peers, at \$2,603 below the midpoint. Resident graduate tuition and fees ranked ninth of 13 and were \$2,652 below the peer midpoint while nonresident graduate tuition and fees ranked eleventh, at \$3,596 below the midpoint.

Table 14 shows increases in tuition and fees in both percentage and dollar terms for resident

Table 14: Increase in Tuition and Fees for Resident Undergraduates at Public Big Ten Universities (2004-05 to 2014-15)*

	Ten-Year Increase	
	Percent	Amount
Illinois	96.4%	\$7,658
Michigan State	79.5	5,848
Minnesota	68.7	5,523
Michigan	54.6	4,764
Wisconsin	77.6	4,548
Purdue	64.2	3,910
Indiana	53.9	3,638
Iowa	49.7	2,683
Ohio State	33.1	2,495
Average (excl. WI)	62.5%	\$4,565
Midpoint (excl. WI)	59.4%	\$4,337

* 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 (2014-15)*

	Resident	Nonresident
Temple	\$14,696	\$24,722
U. of Illinois-Chicago	14,588	26,978
Rutgers-Newark	13,297	28,075
U. of Texas-Dallas	11,806	31,328
Wayne State	11,448	24,471
U. of Cincinnati	11,000	26,334
Georgia State	10,240	28,450
U. of Louisville	10,236	24,124
U. of Akron	9,920	18,452
Cleveland State	9,636	12,878
U. of Missouri-Kansas City	9,476	22,535
UW-Milwaukee	9,391	19,120
U. of Toledo	9,242	18,580
SUNY-Buffalo	8,871	22,291
U. of New Orleans	7,482	21,092
Average (Excl. WI)	\$10,853	\$23,594
Midpoint (Excl. WI)	\$10,238	\$24,298
WI distance to midpoint	-\$847	-\$5,178

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

undergraduates at the public midwestern Big Ten universities for the period from 2004-05 to 2014-15. As shown in the table, tuition and fees at all of the institutions have increased by at least 33% over the most recent 10 years and by as much as 96%. The total tuition increase at UW-Madison was near the peer average in dollar terms but

above the peer average in percent terms. This is because tuition and fees charged by UW-Madison were relatively low at the beginning of the period. Tuition and fee increases have moderated in recent years; as shown in Table 13, resident undergraduate tuition and fees increased by an average of 1.7% in 2014-15 at UW-Madison's Big Ten peers.

Tables 15 and 16 compare undergraduate tuition and fees charged by UW-Milwaukee and the UW comprehensive institutions to tuition and fees at their respective peer institutions. As shown in Table 15, Milwaukee's resident and nonresident undergraduate tuition and fees rank twelfth of 15 peers. Table 16 indicates that the average tuition and fees charged to resident and nonresident undergraduates at comprehensive institutions is lower than all but seven of the 34 other institutions in the peer group.

The UW System does not maintain a list of peer institutions for the purpose of comparing tuition and fees at the 13 two-year UW Colleges campuses. However, tuition and fees at the UW Colleges could be compared to tuition charged by the Wisconsin technical colleges for collegiate transfer programs. In 2014-15, the UW Colleges charge \$198 per credit compared to \$170 per credit charged by the technical colleges for collegiate transfer credits. However, while the Wisconsin technical colleges charge all students on a per-credit basis, the UW Colleges charge students using the plateau system. As a result, a student taking 13 or less credits would pay less tuition at a technical college while a student taking 14 credits or more would pay less tuition at a UW Colleges campus.

Cross-state comparisons are often been used as benchmarks or justifications for establishing tuition levels. It could be argued, however, that resident tuition charged in other states is not relevant to the tuition setting process in this state. Students generally qualify for resident tuition in

Table 16: Undergraduate Tuition and Fees at UW Comprehensive Campuses and Peers (2014-15)*

	Resident	Nonresident
Illinois		
Univ. Illinois-Springfield	\$11,367	\$20,517
Western Illinois	11,283	15,599
Eastern Illinois	11,108	28,088
Northeastern Illinois	10,848	19,968
Chicago State	10,158	19,128
So. Illinois-Edwardsville	9,738	20,682
Governor's State	9,386	17,036
Indiana		
Indiana State	\$8,416	\$18,346
Purdue U.-Fort Wayne	7,949	19,092
Purdue-Calumet	7,241	16,356
Indiana Univ.-South Bend	6,905	18,081
Indiana Univ.-Northwest	6,853	18,081
Indiana Univ.-Southeast	6,827	18,081
Iowa		
U. of Northern Iowa	\$7,749	\$17,647
Michigan		
Michigan Tech.	\$14,040	\$29,520
Central Michigan	11,550	23,670
Ferris State	11,352	16,962
U. Michigan-Dearborn	11,200	23,400
Grand Valley State	10,752	15,408
Western Michigan	10,685	24,917
Oakland	10,613	23,873
U. Michigan-Flint	10,138	19,360
Eastern Michigan	9,663	25,705
Northern Michigan	9,324	14,556
Saginaw Valley State	8,691	20,409
Minnesota		
U. Minn.-Duluth	\$12,802	\$16,467
Winona State	8,752	14,253
Bemidji State	8,134	8,134
Minnesota State-Moorhead	7,829	14,727
Minnesota State-Mankato	7,574	15,052
St. Cloud State	7,542	15,184
Ohio		
U. Akron	\$9,920	\$18,452
Wright State	8,730	16,910
Youngstown St.	8,087	14,087
Wisconsin		
Comprehensive Average	\$7,807	\$15,243
Average (Excl. WI)	\$9,506	\$18,757
Mid-Point (Excl. WI)	\$9,525	\$18,081
WI distance from midpoint	-\$1,718	-\$2,838

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

only one state and, consequently, resident tuition in other states should not affect the decisions of students in this state. In addition, different states may have different human capital needs, goals, and strategies. Tuition decisions made in other states may not be consistent with this state's budgetary priorities, educational and workforce needs, or broader education policies.

Another approach to evaluating tuition levels is to examine the relationship between tuition levels and state income measures, representing ability to pay. Table 17 compares resident undergraduate tuition and fees for public midwestern Big Ten institutions in 2013-14 and median household incomes in those states. As shown in the table, UW-Madison's tuition and fees were equal to 20.2% of the state's median household income in 2013. Taken as a measure of affordability, this made UW-Madison the second most affordable public Midwestern Big Ten university behind only Iowa. For comparison, Milwaukee's resident undergraduate tuition and fees were 18.2% of the state's median household income, the average for the comprehensives was 15.2%, and the UW Colleges ranged from 9.8% to 10.2%.

However, tuition and fees at these public in-

Table 17: Tuition and State Income Measures (2013-14)

Institution	Resident Undergraduate Tuition and Fees	Median Household Income*	Tuition as a % of Median Household Income
Michigan	\$13,142	\$48,273	27.2%
Illinois	15,258	56,210	27.1
Michigan State	12,863	48,273	26.6
Minnesota	13,555	60,702	22.3
Indiana	10,209	47,529	21.5
Purdue	9,992	47,529	21.0
Ohio State	10,037	48,081	20.9
Wisconsin	10,403	51,467	20.2
Iowa	8,061	52,229	15.4

*Data from the U.S. Census Bureau.

stitutions have been becoming less affordable over time as tuition and fees have increased at a faster rate than incomes. In 2003-04, tuition and fees at UW-Madison were equal to 11% of Wisconsin's median household income compared to 20.2% in 2013-14. To the extent that resident tuition is not affordable to all Wisconsin students, tuition rates impact access to higher edu-

cation and may increase the need for financial aid.

For more information on state-funded need-based financial aid and a comparison of the financial aid provided by this and other states, see the Legislative Fiscal Bureau informational paper entitled "Student Financial Aid."

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, supplemental tuition increases should assist in redressing the imbalance between needs and re-

sources.

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.