Summary of the 2019-21 Budget for Higher Education

The Legislature approved a budget that does not include significant new resources for higher education, and does not take steps to undo the steep budget cuts of past years or expand access to higher education. The result is a budget that squanders an opportunity to make sure that all workers can develop the skills they need to move Wisconsin's economy into the future.

The Legislature rejected most of the funding increases proposed by Governor Evers for the University of Wisconsin System, but did include a small increase for the technical college system beyond what the governor had requested. The budget includes $38 million in new resources for the UW System and technical college system combined, an increase that is about one-fourth the size of the increase proposed by the governor.

University of Wisconsin: Few New Resources After Years of Cuts

The UW System President said that the final budget will result in students having to wait to enroll in popular courses like nursing and computer science that play an important part in addressing the state's workforce needs. Lawmakers have reduced state support for the University of Wisconsin System by about 10% since 2011, in inflation-adjusted terms.

The budget that Governor Evers proposed included a modest boost in state support for the University of Wisconsin System, but the Legislature eliminated most of the increases, including the following proposals:

- $50 million to make up for revenue lost by continuing a tuition freeze;
- $10 million to help recruit and retain nursing faculty;
- $5 million to support student services at UW Colleges; and
- $4 million to allow UW-Extension to provide research and expertise to farmers, individuals, and local governments.

Only two meaningful funding increases outside of standard budget adjustments were included in the final budget, and for both of those increases, the UW System must seek another level of approval from a legislative committee before the funding will be released. The two increases are:

- $45 million over two years for general operations. This increase is less than the rate of inflation, meaning that the value of the support the state provides to the UW System will continue to decline.
$9 million over two years for dairy research at three UW campuses.

The budget continues a tuition freeze at the UW System, but does not provide any resources to pay for the freeze. That means the UW System must make cuts to compensate for the fact that tuition is not increasing at the same rate as other costs.

The Legislature approved most of the building projects that the UW System requested.

Technical College System: A Small Increase

The final budget includes $25.3 million more in state funding for the technical college system, an increase that is slightly more than the rate of inflation. That increase is $7 million more than the governor proposed.

Technical colleges get about a quarter of their revenue from property taxes. Currently, technical college districts may increase the amount of property tax they take in only to account for the change in the district’s property value due to new construction. Governor Evers proposed loosening that restriction to allow technical colleges to take in more money in property tax revenue, but the Legislature rejected that change.

Little Progress in Making Higher Education More Affordable

The Legislature rejected three proposals by Governor Evers that would have opened doors to opportunity by reducing the cost of higher education:

- Allowing students who are undocumented to pay in-state tuition rates if they graduate from a Wisconsin high school, live in the state for at least three years before that, and commit to filing an application for a permanent resident visa. Currently, undocumented youth who grow up in Wisconsin and attend the University of Wisconsin or technical college must pay out-of-state tuition rates. The result is that undocumented youth are charged tuition rates that can be more than three times as high as students who are citizens, putting higher education out of reach for most.

- Creating a committee to plan for the creation of a state-run student loan refinancing authority, with the goal of introducing an authority in the governor’s next budget. Nearly three-quarters of students graduating from the UW System have debt, with an average burden of about $30,000. This first step could particularly improve access to higher education for African-American and Latinx students, who come from families with lower incomes than white students and have access to less in the way of family wealth, leaving
borrowing as one of the few methods available to finance their education.

• Provide an additional $17 million in need-based grants to Wisconsin students pursuing their education at public or private colleges and universities in the state. This would bring down the cost of attending college for students with low incomes, and reduce barriers to opportunity for students of color.

Conclusion

Wisconsin’s higher education system plays a key role in our state’s economic growth and enabling Wisconsin residents to thrive. Wisconsin needs an affordable, accessible University of Wisconsin and technical college system to ensure that the doors of opportunity are open to everyone. The public resources that Wisconsin invests in our higher education system help lay the foundation for a well-educated workforce that can compete in the global economy.

However, the final budget bill approved by the Legislature and signed by the governor provides only a very small increase in funding for higher education. The additional funds for the UW System fall short of what is needed to keep up with inflation, much less offset deep cuts made in recent years. This shortsighted failure to invest in Wisconsin’s higher education system will prevent some hardworking Wisconsin residents from climbing the economic ladder, and will make it harder for businesses and communities to prosper.