MEETING SUMMARY

Of the

UW SYSTEM TUITION-SETTING POLICY TASK FORCE

Held at 1820 Van Hise Hall,
1220 Linden Drive
Madison, Wisconsin

Thursday, March 31, 2016
8:30 a.m.

Introductions and Discussion of Prior Meetings

Regent Higgins welcomed task force members, staff, and guests and asked everyone present to introduce themselves. Following the introductions, Regent Higgins announced that UW System Budget Director Adam Pfost would no longer be staffing the task force as he had accepted a position at the UW Medical Foundation. Regent Higgins offered a resolution of appreciation for Pfost, which was unanimously adopted by the task force.

Regent Higgins reviewed the task force’s charge and provided an overview of the meeting agenda. He then summarized the key points from the February 10 meeting, which focused on the needs of the state and how those needs should be considered when setting tuition.

1. Regent Mark Tyler, founder and president of OEM Fabricators, Inc., Vice President of the Wisconsin Technical College System Board, and Chair of the Governor’s Council on Workforce Investment, began his presentation with information regarding Wisconsin’s aging workforce and its implications for the state’s economy. He noted that post-secondary education prepares people for the workforce and in the next ten years more than one-half of careers will require more than a high school diploma. He also noted that as educational attainment levels increase, earnings increase and unemployment rates decrease, suggesting that post-secondary education has both individual and societal benefits.

2. Regent Tyler shared that many state agencies, advocacy groups and businesses are involved in workforce development, and concluded with an overview of career exploration efforts and new requirements for school districts related to academic and career plans.

3. Rob Cramer, Gesele Durham, and Patrick Guilfoile shared the efforts of UW-Platteville, Milwaukee, and Stout to assess and respond to state and local needs, and possible adjustments to tuition policies to respond to those needs. Following the presentations, task force members agreed that UW institutions are already working with employers and communities to address state and local needs, in many different ways. Institutions also
take into account labor market projections to assess the supply and demand for graduates in particular fields. Members noted that the UW System needs to look more broadly than just STEM fields and must continue to invest in liberal arts degrees and experiences. In addition, the UW System needs to do more to convey to both students and employers the skills, knowledge, and value of a liberal arts education/degree. Members agreed that the UW System should focus more on preparing students to adapt to the changing job markets, than addressing the currently known high-demand fields.

4. Task force members suggested that tuition policy should be geared toward getting students to graduate sooner, and should provide clarity on issues related to plateaus and differentials. In addition, charging higher tuition for high-demand and high-cost programs does not incent students to enroll in these types of programs. On the other hand, lower tuition for these types of programs means high-cost programs will be subsidized by other programs. In addition, the financial situation at UW institutions is such that institutions cannot afford to discount tuition for high-cost programs.

Identification and Development of Tuition Principles

Associate Vice President Freda Harris explained the origin of the tuition principles codified in Regent Policy Document 32-5, as well as the survey of principles that task force members were asked to complete prior to the meeting. Regent Higgins explained that the task force would review each of the eight existing principles and 18 suggested principles individually. He asked task force members to consider whether each principle is foundational to determining tuition, and whether the existing principles are relevant or should be eliminated, modified, or consolidated.

He also asked members to consider how the principles work together and whether any contradict.

Task force members, with input provided by staff, agreed to recommend changing the existing tuition principles articulated in RPD 32-5 to the following:

- When setting tuition for University of Wisconsin System institutions, the Regents should consider educational quality, affordability, access and the financial resources available to institutions and students.

  Tuition increases should be moderate and predictable, subject to the need to maintain educational quality, affordability and access.

- As a measure to maintain and to increase access to an affordable education, the university should, at a minimum, continue to request the state fund 65% of regular budget requests for cost-to-continue, compensation, and new initiatives as General Purpose Revenue (GPR).

  Additionally the University should request, at a minimum, that the state fully fund the Wisconsin Grant for tuition increases as described in s. 39.435 Wis. Stats.
• Where general budget appropriations are not sufficient to maintain educational quality, tuition increases should be considered to assist in redressing the imbalance between needs and resources, recognizing the importance of affordability and access.

• Tuition for nonresident undergraduate students should be set at a larger percentage of the UW System cost-per-student for undergraduates than resident undergraduate students, and at least the full cost of instruction where the market allows. Nonresident undergraduate rates should be competitive with those charged at peer institutions and sensitive to institutional nonresident undergraduate enrollment changes and objectives.

• Tuition shall remain at the institution that generated the tuition. Institutions will be fully funded for cost-to-continue, compensation, and new initiatives with a combination of general tuition and GPR increases.

• Institutions should have the flexibility to price nonresident, graduate and professional tuition based on market, cost of delivery, enrollment opportunities and regional needs.

Parking Lot
• All institutions should effectively contain costs and consider other funding sources to limit tuition increases.

Task force members discussed the importance of including both tuition setting and financial aid, but agreed to separate the two topics. Task force member also agreed that the principles should reflect educational quality, access, and affordability, and that resident undergraduate tuition would be addressed separately from nonresident undergraduate and graduate tuition. Task force members expressed varying viewpoints on how much authority chancellors should have to set tuition, and the extent to which comprehensive institutions should have uniform tuition rates or differing rates based on market, costs, and other factors. Task force members also acknowledged that in the future, the timing of when undergraduate tuition is set will become increasingly important due to recent financial aid changes at the federal level. However, the timing of UW System’s tuition setting will continue to be tied to the state’s biennial budget decisions.

The remaining principles suggested in the survey will be addressed at the next task force meeting.

Framing of Future Discussions Regarding the Analysis of Cost

Harris asked task force members for ideas and suggestions on how they wanted to look at the analysis of costs. Task force members and staff discussed that they were unaware of any other public institutions that use cost as a factor in setting tuition, and whether it was necessary to have a full cost-driven model. Regent Higgins noted that UW System stakeholders are interested in cost components and what costs can be cut to make the system more efficient. He also noted that he wanted to see a comparison of costs among UW institutions, rather than a comparison to outside peer institutions. Others noted that some costs are handed to the UW institutions and
they have no control over those costs, while others noted that detailed cost information will provide transparency to the tuition-setting process.

**Preview of Upcoming Meetings**

Regent Higgins noted that future meetings are scheduled for April 26, May 20, June 22, and July 22. The next meeting will include a continuation of the discussion related to tuition policy principles as well as the remaining items from the March 31 agenda.