*Fiscal Facts by Wisconsin Policy Forum*

**UW System funding falls behind peers, threatening its competitiveness**

The University of Wisconsin System and its flagship university are falling behind their peers in key financial metrics, as a tuition freeze, declining enrollment, stagnant state funding, and lackluster growth in research spending threaten their long-term competitiveness.

The last decade, in particular, has seen Wisconsin’s public higher education system largely fail to keep pace with regional and national counterparts in these areas. Now, the effects of the COVID-19 pandemic threaten to compound the damage.

Between 2000 and 2019, adjusted state and local funding per full-time equivalent student at Wisconsin universities and technical colleges fell from 6.4% above the U.S. average to 16.5% below that average ($6,846 here versus $8,196 for the U.S.) Adjusted net tuition and fee revenues per student in the state were also overtaken by the national average.

The state’s ranking for adjusted total revenues from state and local funding as well as net tuition fell from 24th-highest nationally and close to the middle of the pack in the Midwest in 2000 to 41st-lowest nationally and last in the Midwest in 2019.

These came as the state’s public higher education system faced another hurdle: declining enrollment. From their peak in 2011 to 2019, net enrollments at public colleges and universities in Wisconsin fell by 13%, or more than twice the national average.

Meanwhile the system’s flagship, UW-Madison, faced its own challenges. From 2013 to 2020 — the years in which a state-imposed in-state tuition freeze was in effect — UW-Madison had the third-lowest in-state undergraduate tuition and fee increase among 35 peer public research universities and also had the largest cut in state support from 2013 to 2018 (the most recent year available).

Research and development spending at UW-Madison also fell from third-highest in the nation in 2010 to eighth-highest in 2018.

Potential responses policymakers could consider include increasing state tax or student tuition funding for higher education; securing other sources of revenue; enhancing borrowing options; shoring up sagging enrollments; and finding efficiencies through digital learning, new flexibility for campus leaders, or streamlined programs, campuses, or governance.

Whatever course policymakers pursue, it is clear that maintaining a world-class public system of higher education — as Wisconsin traditionally has enjoyed — is crucial to ensuring its economy remains competitive in the 21st century.

*This information is provided to Wisconsin Newspaper Association members as a service of the Wisconsin Policy Forum, the state’s leading resource for nonpartisan state and local government research and civic education. Learn more at wispolicyforum.org.*