Investing in Higher Education Reaps Rewards for All  
by  
Senator Kathleen Vinehout

“Tuition is SO expensive,” a local business owner told me. She shared the sacrifices her family makes to keep their oldest son in college.

“My husband has been away for three weeks,” she continued. The time-and-a-half her husband earned working out-of-state made the difference between sending and not sending their son to college.

At a time when most agree the road to prosperity leads through college, the state is paying less and struggling families are paying more for college. Deep budget cuts this year forced most colleges into a 5.5% tuition increase. Many families tell me it’s harder to pay college bills.

Parents know a child’s future is improved with a college education. Average earning for a college graduate more than doubles the average earning of a student without a high school diploma. Future jobs increasingly require post-high school education.

Helping our best and brightest obtain a college education helps raise the earnings of the entire state. According to UW officials raising the education level of Wisconsin residents to that of Minnesota means $29 million more in the pockets of folks in our state.

Thirty-two percent of Minnesotans are educated at the bachelor’s level. Using 2008 statistics, Wisconsin compares at 26% of the population educated at the bachelor’s level. Raising the number of college graduates to Minnesota levels means an average income jump of nearly $5,000 a year.

We live in an increasingly interconnected world. Our children and grandchildren compete with children on the other side of the globe. With the number of college educated workers in Japan (54%), Korea (53%) and even Canada (55%) double that of Wisconsin, we face future challenges.

As families struggle to send youth to college and Wisconsin lags neighboring states in the college educated, the gap between the rich and poor widens. Poverty numbers from the 2010 US census reinforce the concern about declining income. Last week’s Eau Claire Leader Telegram reported the typical Eau Claire County family saw their real income drop nearly $5,000 between 2008 and 2010. Less money in people’s pockets means less growth in demand which turns into a cycle of fewer jobs.
Education can lift a family’s earning potential. But a college education is increasingly out of reach for some as tuition increases. This year’s tuition increase comes on the heels of several before it; all in response to fewer dollars from the state.

As UW President Kevin Reilly recently told me, “Wisconsin used to pay twelve cents of every tax dollar to public universities. Now it’s less than nine cents.”

I asked President Reilly about the effect of recent deep budget cuts. Governor Walker’s budget cut a quarter-billion dollars from the UW system. Even before these cuts Wisconsin, compared to other states, ranked only 37th in per person higher education funding.

I learned how the system was coping.

Tuition increases made up one-fifth of the cut. Increased benefit contributions by employees added another 30 percent. President Reilly is navigating the loss of $125 million. Many tasks done by the UW System are being shifted to individual campuses. Some staff retired, others let go.

Keeping quality staff is incredibly challenging. Like all state workers, UW workers faced the equivalent of a 5% pay cut over the past three years. Changes this year mean an additional 8 to 10 percent salary drop. Studies show UW salaries as the lowest compared with peer institutions. Lack of resources means loss of staff and faculty which affect student experiences.

Investing in higher education brings dividends beyond higher salaries for graduates. More income means more tax dollars and a broader tax base; sharing the cost of public services more equitably among all. Spin off companies and others assisted by UW-research benefit the state’s economy.

UW officials remind us: prosperous citizens use fewer public services, are generally healthier, are able to contribute to philanthropy and community non-profits and are more engaged in democracy and civic affairs.

Investing in higher education reaps big rewards for everyone. It is an outlay we must be committed to make. Our future depends upon our investment.
Education Budget Cuts bring Challenges, Controversy
by
State Senator Kathleen Vinehout

State officials recently announced this year’s final state aid sent to local school districts\(^1\). All but 13 of Wisconsin’s 424 local school districts received cuts in state aid\(^2\).

The historic school aid reduction in Wisconsin is the second largest per pupil cut in the nation\(^3\).

Local education leaders, parents and teachers are concerned about the long-term effects of such deep funding cuts.

At the same time, Governor Walker’s recent radio address touted his commitment to education. “We kept education a priority”\(^4\) he said. “We also passed reforms that will help protect taxpayers and improve government.” These ‘reforms’ involve changes in employee contributions to pensions and health insurance and changes in work rules.

While the governor suggests his ‘reforms are working’; education officials report otherwise. Budget cuts impact every level of education. Local schools, technical colleges and UW campuses are all coping with changes required by deep budget cuts.

Western Technical College lost $2.3 million in state aid. About two thirds was made up by increased staff payments. The college was forced to cut dental hygienist and interior design programs plus other classes and staff.\(^5\)

UW La Crosse employees contributed about a fifth of the total $5.2 million cut in state aid.\(^6\) To adjust for the remaining cuts the university delayed maintenance among other changes.

---

\(^2\) Tony Evers. October general aid certification shows most school districts will experience drop in aid. Press Release. October 14, 2011.
UW River Falls faces a new round of cuts estimated at $1.8 million. This comes on top of the $2.8 million cuts required by the budget earlier this summer.\footnote{Patrick Anderson. Governor’s tools bring ‘real morale problems’ to higher ed. \textit{La Crosse Tribune}, November 20, 2011.}

UW Eau Claire saw a 23\% - or ten million - drop state aid. Not included is an estimated $3.5 million cut just ordered by the state.\footnote{Judy Wiff. UW Faculty: Be concerned, State funding cuts harmful. \textit{River Falls Journal}, November 21, 2011.}

Higher education cuts mean students pay more tuition and graduate with more debt. Tuition increases made up only one-fifth of the budget cut. Increased employee contributions added another 30\%. Universities struggle to make up the rest.\footnote{Personal conversation Chancellor Brian Levin-Stankevich. November 10, 2011.}

Similar compromises are made by K-12 superintendents. Almost 9 in 10 students attend a school with a net staff reduction. One in five students attends a school where five or more programs experienced staff cuts. Nearly 60\% of districts increased class sizes. The budget axe fell hardest on special education, school counseling and library services.\footnote{Kathleen Vinehout. Investing in Higher education reaps rewards for all. \textit{Capitol Times}, October 4, 2011.}

State Superintendent Tony Evers argues for a better way to hold down property taxes without cutting investments in public education. “My Fair Funding for Our Future plan to reform the way we pay for public school [will hold] the line on property taxes.”\footnote{Tony Evers. There was and is a better way to hold the line on property taxes. Press Release, November 15, 2011. And http://dpi.wi.gov/eis/pdf/wasdasurveyresults.pdf.}

His funding proposal has not been taken up by the Legislature.

UW Madison Dean of Education, Julie Underwood is concerned with the long-term effects of the education cuts. “This will affect young people not only in certain parts of Wisconsin but statewide. We are not preparing students for the rigors and challenges of life as an adult...there are serious consequences.”\footnote{Ibid.}

The deepest damage may be yet to come. Two thirds of superintendents surveyed expect the same or deeper cuts next year.\footnote{Julie Underwood. Education cuts will have long-lasting effects. \textit{Milwaukee Journal Sentinel}, November 18, 2011.}

Former state superintendent ‘Bert’ Grover commented on the ‘savings’ given schools to cope with the budget cuts. “Let’s not forget that most of these are one-time savings that won’t be around next year. Wait two years from now and we’ll see what we’ve done.”\footnote{OPCITE: http://dpi.wi.gov/eis/pdf/wasdasurveyresults.pdf}

These cuts did not have to happen. Two years ago we faced twice the budget deficit of this year. Revenue was dropping like a rock. But we balanced the budget. We made cuts but preserved the integrity of public education.

\begin{footnotesize}
\footnote{Patrick Anderson. Governor’s tools bring ‘real morale problems’ to higher ed. \textit{La Crosse Tribune}, November 20, 2011.}
\footnote{Judy Wiff. UW Faculty: Be concerned, State funding cuts harmful. \textit{River Falls Journal}, November 21, 2011.}
\footnote{Personal conversation Chancellor Brian Levin-Stankevich. November 10, 2011.}
\footnote{Kathleen Vinehout. Investing in Higher education reaps rewards for all. \textit{Capitol Times}, October 4, 2011.}
\footnote{Tony Evers. There was and is a better way to hold the line on property taxes. Press Release, November 15, 2011. And http://dpi.wi.gov/eis/pdf/wasdasurveyresults.pdf.}
\footnote{Ibid.}
\footnote{Julie Underwood. Education cuts will have long-lasting effects. \textit{Milwaukee Journal Sentinel}, November 18, 2011.}
\footnote{OPCITE: http://dpi.wi.gov/eis/pdf/wasdasurveyresults.pdf}
\footnote{Dave Zwiefel. Plain Talk: Bert Grover sees clouds on the school horizon. \textit{Capitol Times}, October 19, 2011.}
\end{footnotesize}
The current state budget spends two billion more than last year. And legislative leaders bought over two hundred\textsuperscript{15} million in new tax credits which add up to over two billion in tax breaks over the next 10 years.

This state budget does not pay bills coming due. Instead hundreds of millions of dollars of debt is restructured, not to gain a lower interest rate, but to completely avoid the payments. Postponed debt\textsuperscript{16} will cost the state nearly $90 million in interest over the next 20 years.

This budget moves large amounts of money from one fund to another. The bulk of this money comes out of the state’s general checkbook leaving less for schools, colleges and universities.\textsuperscript{17}

Parents pay more for tuition. Students have larger classes and fewer choices. Teachers and superintendents face seemingly insurmountable challenges. None of this had to happen.

References used in this column are available on request.

\textsuperscript{15} This budget makes substantial long term commitments in new spending. The January Special Session bills including HSAs (Act 1), Relocating Business Credits (Act 3), Deductions for New Hires (Act 5) and the Economic Development Zone Increases (Act 4) will cost Wisconsin $117.2 million in this budget, $130.3 million in the next budget and $638.4 million over the next ten years. The tax decreases in this budget will cost $93.4 million. The total tax changes over the next ten years will cost the state $2.334 billion in foregone revenue. Source: Rob Reinhardt, General Fund Taxes. Legislative Fiscal Bureau Memo to Senator Miller. June 9, 2011. p.2. \url{http://legis.wisconsin.gov/senate/sen31/news/Issues/2011-12-Budget/6%209%202011%20Miller.pdf}


Dear Dr. Harrison

Dec 7, 2011

Please pass on my thanks to the University Senate members for the very well articulated resolution. I strongly support the resolution & will do all that I am able to continually advocate for state funding for our UW & Tech College systems.

I was shocked to learn of the loss UWEC has seen in state support. Taking more out of the UWEC budget is untenable. Wisconsin faces great Challenges and it will take all of us working in partnership to remedy the Challenges.

Thank you so much for your work with the UW Senate.

Sincerely,
Kathleen