



Wisconsin Taxpayers Alliance

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NEWS

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WISTAX Informs Debate on Higher Education Funding

New Report Reviews 25-Year Spending Trends

MADISON—With University leaders and state politicians trading charges recently, a new report from the Wisconsin Taxpayers Alliance (WISTAX) examines state tax funding for the UW System over the past 25 years. The analysis from the nonpartisan, Madison-based research organization finds that growth in tax dollars going to the UW has trailed overall state spending, state school aid, and inflation.

Between 1983 and 2007, state aids and tax credits for K-12 schools rose 320%, while overall state expenditures were up 222%. By comparison, inflation—as measured by the consumer price index (CPI)—rose 115%, and UW funding, 99%.

In actual GPR-dollar terms, state support for the UW ebbs and flows with economic highs and lows, and with the state's fiscal condition. The largest increase (9.8%) came in 2000-01 and the largest decrease (10.8%) in 2003-04.

Annual average increases have been smaller in recent years than previously. Over the past five years, state taxes going to the UW rose 5.9%, or an average of 1.2% per year. The cumulative ten-year increase was 21.8%, an average of 2.0% per year. Over the past 25 years, tax support was up 98.7%, a 2.9% yearly average.

Another way of looking at state funding trends for the 26-campus UW System is in real—or, inflation-adjusted—dollars. In 2006-07 dollars, the UW received \$1.09 billion from the state in 1983. That peaked at \$1.23 billion in 2000-01, and stood at \$1.04 billion in 2006-07. Final figures were not available for 2007-08.

The WISTAX report also examines state-appropriation increases for higher education and relative 50-state rankings for Wisconsin, surrounding states, and high- and low-ranking states.

State funding increases for higher education, including technical colleges, over the past ten years (+27.0%) ranked Wisconsin 44th, and over the past five years (+5.0%), 49th. Funding growth in surrounding states also tended to rank in the bottom half, except this year when Iowa ranked 18th and Minnesota 9th. Michigan has consistently ranked at or near the bottom (49th in 07-08), while Alabama (4th this year) and Louisiana (2nd this year) have ranked near the top.

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The Wisconsin Taxpayers Alliance, founded in 1932, is the state's oldest and most respected private government-research organization. Through its research, publications, civic lectures, and school talks, WISTAX aims to improve Wisconsin government through citizen education. Nonprofit, nonpartisan, and independently funded, WISTAX is not affiliated with any group—national, state, or local—and receives no government support.

Commenting on study findings, WISTAX president Todd Berry said, “While politicians of both parties have increased total state spending and funding for other programs, they have made higher education a lesser priority.” Berry noted that “this wasn’t an intractable problem if UW Regents and campus chancellors were free to find alternative sources of revenue, such as higher tuition, or to better manage costs, by being free of state policies mandating hiring, firing, building, bonding, and even curriculum. Private institutions and a growing number of charter public universities with which the UW competes have this management flexibility.”

WISTAX is a nonprofit, nonpartisan, public-policy research firm celebrating 76 years of service to Wisconsin citizens.

For a copy of the WISTAX report, “Money for ‘U’: Then, now; here elsewhere,” write: WISTAX, 401 North Lawn Ave., Madison, Wisconsin 53704; e-mail, wistax@wistax.org; or call 608.241.9789. □

(Editors’ Note: An electronic version of this release is available at www.wistax.org.)