

# Expanding Wisconsin's Workforce

Wisconsin Technical College System: 2009-11 Biennial Budget Initiative  
September 2008

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## ISSUE

Reducing nonresident tuition may enable WTCS colleges to increase enrollment of nonresident students, who are likely to remain in Wisconsin and help address the state's skilled labor shortages and ensure the availability of education programs that suffer from low resident enrollment despite growing employer demands for graduates.

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## BACKGROUND

Wisconsin statutes require the WTCS Board to set nonresident tuition so that it covers 100% of the statewide cost per FTE for operating the program in which a nonresident student enrolls. To do so, the Board establishes a supplemental nonresident tuition fee that is charged to nonresident students in addition to the standard tuition charged to all students.

State statutes also authorize, however, some exceptions to WTCS nonresident tuition such as charging 150% of resident tuition to nonresident students eligible under the Midwest Student Exchange Program (MSEP) operated as part of the Midwest Higher Education Compact. Under MSEP, students from Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota and Wisconsin may qualify for 150% of resident tuition at participating institutions in each state. Students from Illinois and Iowa are not eligible because no postsecondary institutions in those states have joined MSEP. The Legislature also authorized nonresident tuition exceptions for WTCS online students and for students who enroll under reciprocity agreements with out-of-state institutions or other states.

For 2008-09, WTCS nonresident postsecondary program students will be charged substantially more to attend a Wisconsin technical college than Wisconsin residents (see Table 1 below). Tuition for nonresident students enrolled in postsecondary and vocational adult courses is more than five times tuition for resident students, while nonresident students enrolled in collegiate transfer courses pay almost twice as much.

Reducing the nonresident tuition differential would increase consistency with other statutory provisions and could contribute to Wisconsin's "brain gain" by encouraging nonresident students to permanently relocate to Wisconsin. Available data and anecdotal evidence suggests that many nonresident WTCS students choose to stay in Wisconsin after graduation, particularly if there are available jobs in their chosen field.

Table 1  
**Comparing Resident Program Fees and Nonresident Tuition**  
 2008-09

	<u>Post- secondary</u>	<u>Collegiate Transfer</u>
Nonresident Per Credit	\$ 594.25	\$ 365.55
Resident Per Credit	97.05	131.50
Nonresident Full-Time Tuition (30 credits)	17,827.50	10,966.50
Resident Full-Time Tuition (30 credits)	2,911.50	3,945.00
Proposed Nonresident Per Credit	145.58	197.25
Proposed Full-Time Tuition (30 credits)	4,367.40	5,917.50

Wisconsin's technical colleges may compete more successfully with neighboring states by reducing the nonresident tuition differential. Resident students and taxpayers benefit from this change because nonresident students may fill open seats in under-utilized programs, thus increasing the efficiency of college operations. If colleges cannot fill open seats, they may be forced to eliminate programs that are not at capacity even though there may be strong employer demand for graduates from these programs. At the same time, existing statutory provisions ensure that state residents have priority in program admissions. As a result, program access for state residents will not be affected by increases in nonresident student enrollment.

More market competitive tuition for nonresident students also will improve the ability of colleges to offer training and educational services to, and build partnerships with, regional employers who may have training needs both within and outside of Wisconsin and whose employees may be Wisconsin residents. Under existing requirements, only employees from businesses located in Wisconsin qualify for in-state training rates.

In 2006-07, WTCS enrolled 1,180.5 FTE nonresident students in postsecondary, continuing education, collegiate transfer, or adult basic education courses. Of these, 992.2 FTE students (84.0%) qualified for resident tuition through reciprocity agreements or other exceptions to nonresident tuition, and 188.3 FTE students (16%) paid nonresident tuition. Total nonresident tuition accounted for less than 1.3% of all program fee revenues received by the 16 technical colleges in 2006-07.

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## REQUEST

Establish a nonresident program fee equal to 150% of resident program fees to attract additional nonresident students. Increasing nonresident enrollment by 358 FTE postsecondary students or 263 FTE collegiate transfer students means this change could be implemented without any impact on college tuition revenue.