



WISCONSIN EDUCATION ACHIEVEMENT INITIATIVE

PAID FOR BY TESTIN FOR SENATE

The average student earns an undergraduate degree in six years that costs upwards of \$150,000. This hefty price tag exceeds the annual household income for an average family. For this reason, more students are taking out increasingly large loans.

Wisconsin needs to lead with real education reform. In order to combat the rising cost of higher education and the student loan crisis, we need the following approaches:

- Limit the number of general education requirements
- Change staff dynamics in the UW System
- Link tuition increases to the Consumer Price Index
- Increase competition through better education
- Offer refinancing options to fiscally responsible students

This plan identifies concrete steps to pursue these approaches through common-sense reforms and creative innovation.

1. LIMIT THE NUMBER OF GENERAL EDUCATION REQUIREMENTS

THE PROBLEM

In most UW System four-year degree programs, students are required to take 60 credits in general education courses, creating bottlenecks and increasing the time it takes to earn a degree.

THE SOLUTION

Create fast-track programs that allow students to supplement general education requirements with courses specific to their degree.

By helping students graduate faster, we can alleviate their need to take out additional student loans, pay more money, and spend unnecessary time in school.

Incoming students spend their first semesters taking classes outside their major requirements on topics that often should have been covered in high school. This type of structure not only increases tuition costs, but also books, housing, and boarding.

STUDENTS EAGER TO COMPLETE THEIR EDUCATION AND ENTER THE WORKFORCE SHOULD NOT BE SLOWED DOWN BY BUREAUCRATIC RULES.

A university degree should focus on a specific field of study, not expand on high school topics. While liberal arts programs foster curiosity and expose students to new ideas, those eager to complete their education and enter the workforce are impeded by bureaucratic rules.

By removing these restrictions, secondary education institutions allow students to pick their own paths. Many students don't have the time or money to waste on courses that don't contribute to their major. As stated earlier, the average student earns an undergraduate degree in six years that costs upwards of \$150,000. We need to limit the general education requirement in order to reduce the time it takes to earn a college degree.

2. CHANGE STAFF DYNAMICS IN THE UW SYSTEM

THE PROBLEM

UW System schools carry bloated administrative bureaucracies when they should invest in educators who can teach in-demand classes and allow more students to graduate on time.

THE SOLUTION

Cut administrative staffs by 15% over the next five years and reallocate those salaries to educators.

By offering more opportunities to take required classes, more students will be able to graduate on time.

All too often, students extend their college careers due to canceled or full classes. In fact, 33% of students don't graduate on time due to inadequate course offerings. If institutions of higher education are going to assist students in meeting graduation time-goals, they will need to provide more chances for students to take required classes.

55%

**OF COURSE BOTTLENECKS ARE
CAUSED BY A LACK OF ACCESS
TO IN-DEMAND CLASSES**

This can be done by requiring the UW System to hire more professors for high demand classes. This will alleviate bottlenecks associated with inadequate class offerings and allow students more flexibility in schedule planning.

Costs incurred by this increase in staff will be made up through the consolidation of administrative roles. Over the course of five years, universities should reduce administrative staff by 15%. This will allow enough time to provide a smooth transition for staff members while promoting efficiency across administrative departments.

3. LINK TUITION INCREASES TO THE CONSUMER PRICE INDEX

THE PROBLEM

Historically, annual tuition fee increases have been arbitrary, not linked to an institution's needs or other important economic factors.

THE SOLUTION

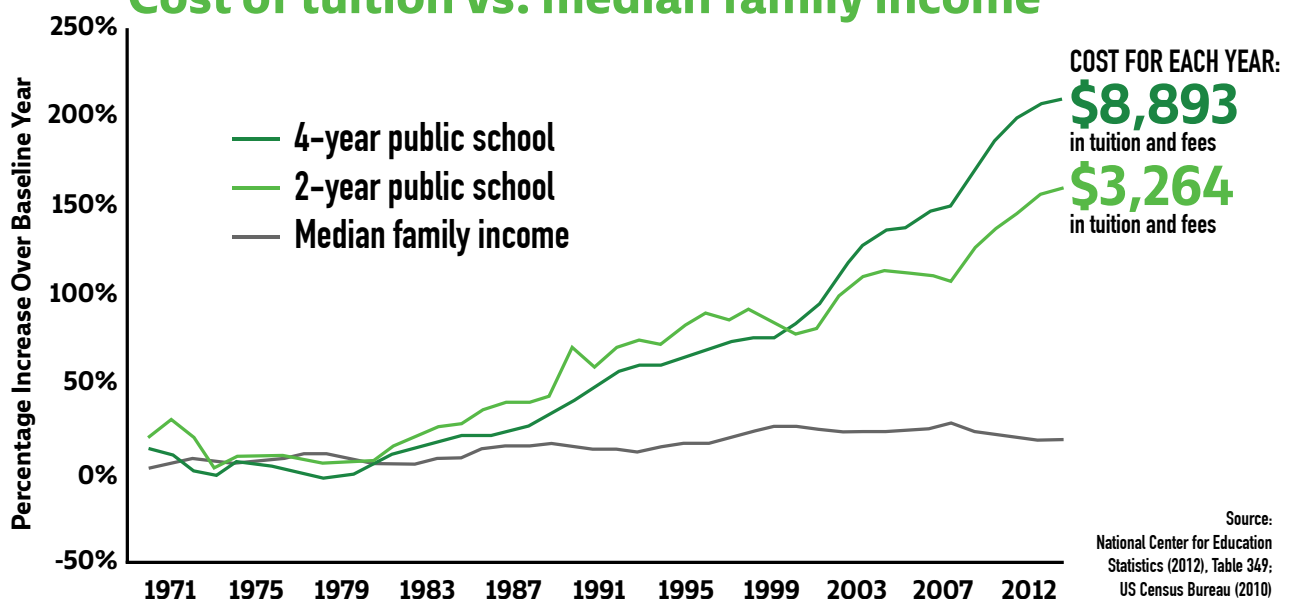
Index future tuition increases to changes in the Consumer Price Index so that universities operate within their means.

Thanks to the cap on UW System tuition, students have been able to pursue secondary education without the burden of rising tuition prices, but this cap is only temporary. When the time comes for the tuition cap to be removed, we need to push for legislation that will curb unnecessary price increases.

Linking tuition to the Consumer Price Index is the most effective way to determine appropriate tuition increases. The CPI is a frequently-used economic measure of inflation that provides information about price changes in the economy.

Rising costs of higher education are dramatically outpacing growth in family incomes. Universities must find efficiencies and savings during tougher times without sacrificing the quality of education. To continue providing financial resources, we can ensure campuses live within their means and help prevent unnecessary future tuition increases.

THEN AND NOW Cost of tuition vs. median family income



4. INCREASE COMPETITION THROUGH BETTER EDUCATION

THE PROBLEM

UW System schools are currently competing through excessive spending.

THE SOLUTION

We need to provide block grant funding and award grants to universities that create apprenticeship/internship programs in order to drive down prices and increase overall education quality.

In a free market system, companies must compete with one another by reducing prices and creating better products and services in order to attract customers. We need to apply this same philosophy to education. Currently, our state's universities continue to compete through excessive spending that is meant to impress recruits rather than improve education. As a result, we've seen spikes in tuition prices and a growing skills gap. By creating incentives for universities to compete through quality of education, institutions will be encouraged to offer innovative curriculum and lower costs to prospective students.

Block Grant Funding

In order to achieve this goal, we need to re-evaluate how we handle education funding. Rather than appropriating state aid by line item, we should handle funding in the form of block grants. Block grants are used as a way to assist institutions with broadly specified purposes. Rather than the centralized restrictions of line item

appropriation, block grants redistribute monetary power from the government to the grant holder. Handling budgeting this way will provide more flexibility to our universities and create better funding efficiency.

Apprenticeship/Internship Programs

We also need to award grants to public universities that partner with community businesses to create apprenticeship and internship programs. Helping students apply practical knowledge outside the classroom is an efficient approach to closing the skills gap. By encouraging these programs, students will be better equipped to enter the workforce after graduation.

Both of these initiatives will create a competitive environment that benefits our institutions, our students, and our communities. We will see a natural end to tuition price growth and a reduction in our state's skills gap.

5. OFFER REFINANCING OPTIONS TO FISCALLY RESPONSIBLE STUDENTS

THE PROBLEM

Graduates who have been responsible with their finances and who have not been able to find well-paying jobs have few options to refinance their loan debt, forcing them to look beyond Wisconsin for career opportunities.

THE SOLUTION

Develop a carefully-managed program to allow those who meet stringent requirements based on merit to refinance their student loans.

By offering refinancing options, we can provide financial support to responsible graduates while bettering the economy.

It's very common for students to graduate with tens of thousands of dollars in debt. Although student loans are an essential resource for many students, this is a significant weight to bear. As a result, many students have a hard time paying off loan debt.

In 2012, fixed interest rates for Stafford student loans were signed into law. This means that interest rates never rise during the loan term. Meanwhile, interest rates have continued to fall. Still, many graduates struggle to pay back loans. In fact, about 7 million Americans have not made a payment on their student loans in over a year.

We need to provide more support for responsible students. College graduates who hold a full-time job and have a clean record of paying back loans for five years after graduation should have the opportunity to refinance loans at a lower interest rate. This would lay the groundwork for a more ambitious future initiative that would give tuition breaks or tax credits to students who enter degree programs in high demand fields and work in-state following graduation. By incentivizing success, students will be encouraged to pursue in-state education, complete their degree, and find a job without burdening Wisconsin taxpayers.

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MILLION

AMERICANS HAVE NOT
MADE A PAYMENT ON
THEIR STUDENT LOANS
IN OVER A YEAR

SOURCES

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