



The Collapse of Badger Football Is Not a Football Story*

It is a budget story. Wisconsin competes in newly priced markets with a budget model built for a slower world. The state effectively constrains what the university can charge and directly limits what it can borrow; inside the university and athletics, money still follows history more than what those markets now require.

NIL did not break Badger football. It turned on the lights.

Junjie Guo
Research Economist
Center for Research on the Wisconsin Economy
University of Wisconsin – Madison

Ananth Seshadri
Professor of Economics
Mary Sue and Mike Shannon Distinguished Chair
Co-Director, Center for Research on the Wisconsin Economy
University of Wisconsin – Madison

July 21, 2026

*The views expressed herein are those of the authors and not necessarily those of the Center for Research on the Wisconsin Economy, the Department of Economics, or the University of Wisconsin – Madison.

Executive Summary

The collapse exposed an older problem

For thirty years, Wisconsin football won without the usual advantages. It recruited overlooked players, developed them better than almost anyone in its conference, and kept them. In 2021, NIL payments put a price on talent, and the portal let talent move. By 2025, Wisconsin had its first back-to-back losing seasons since 1991–92.

Football revealed the problem first because a roster turns over in four years and its results are visible every Saturday. The budgeting habit beneath it was not unique to athletics. Across much of Wisconsin higher education, the next dollar tended to go where the last dollar had gone. The state made adaptation harder by holding down the university's price and denying it the borrowing authority its peers use. UW–Madison responded through new programs, philanthropy, and occasional reorganizations. Athletics controls its own operating allocation, yet followed the same historical pattern and was late to build the donor vehicle football needed in the new era.

Wisconsin's decline is selective. The university remains strong in research and across much of the academic core, while losing more ground in professional programs, doctoral education, and football, where expensive talent and student demand move quickly. A university that simply lacks money declines everywhere. Wisconsin has not.

Nor is this simply a shortage of resources. State support per student has met or exceeded the peer median for twenty years, and the last fundraising campaign raised \$4.2 billion. Wisconsin often cannot retain, finance, or redirect resources when a market changes.

- **Where a structure captures and reinvests the return, Wisconsin has recovered.**

Wisconsin Alumni Research Foundation (WARF) supports research; additional undergraduate enrollment produces tuition the university retains; and Chapter 233 gave the hospital its own board, control of its operating revenues, and borrowing authority.

- **Where the return is diffuse, investment is easier to postpone.** Doctoral programs, professional schools, and now football compete in national markets without the same ability to retain revenue, set price, finance growth, or build lasting donor capacity. Their declines are the slow-motion version of football's collapse.

The cleanest internal evidence is athletics. Wisconsin funds its biggest earner least: in FY2024, football generated 58 percent of department revenue but received 24 percent of spending, the Big Ten's lowest reported share. Athletics, not the state, sets it.

Football and the university draw on separate pools: tuition cannot pay players, and athletic revenue cannot repair the academic budget. The connection is institutional. In each, a price or allocation formed under an earlier market remained after the market changed.

Three locks on the market rate

- **Retention.** Schools and departments keep too little of what they generate, weakening the link between success and the next investment.
- **Autonomy.** The state holds resident tuition below the price charged by Wisconsin's research peers and does not allow the university to borrow against its own revenue.
- **Vehicles.** Wisconsin has often lacked durable institutions that can receive, invest, and compound donor and commercial capital over time.

No one designed this system in a single decision. It accumulated over decades at a university successful enough that delay rarely looked urgent.

Who holds the keys

- **The state** should step back from political intervention in tuition, grant UW program-revenue borrowing authority, and give it greater project-management flexibility. That change would let UW finance projects against defined streams of its own future revenue, without pledging the state's full faith and credit. Bucky's Tuition Promise protects low-income families; aid should extend above its threshold so middle-income families do not bear the full increase.
- **The university** should let a meaningful share of revenue remain with the units that generate it and move marginal dollars as demand changes. Cross-subsidy remains essential to scholarship whose public value exceeds its tuition or grant revenue; the requirement is that those transfers be chosen, not inherited.
- **Athletics and donors** should direct more of athletics' own resources toward football and build a durable structure for donor and commercial capital.

Wisconsin has talented students, distinguished faculty, generous donors, and substantial state support. It lacks the freedom and machinery to set price, finance capital, and move money as circumstances change.

In 1990, a chancellor looked at a football program with six wins in three seasons and an athletic department roughly two million dollars in debt, then moved money toward opportunity. Thirty years of winning followed. Then the problem was one program. Today it is the machinery around every program: price, borrowing, and where the next dollar goes.

Whatever the state proves willing to do for football, it has no principled reason not to do for the rest of the university.

1 Thirty years, then a broken floor

In 2024, Wisconsin football finished 5–7. In 2025, it finished 4–8, the program's first back-to-back losing seasons since 1991–92 and the end of a twenty-two-year bowl run (Figure 1). Wisconsin had suffered down seasons before and recovered. What changed in 2024 and 2025 was the floor. The explanations came fast, and every one was about the team: the coaching change, the schedule, injuries, a run-first identity out of style. Each may hold a piece of the truth. None by itself explains why the decline persisted across the transition to a priced and mobile talent market. Nor can a football-specific explanation account for the longer decline in professional schools and doctoral programs, which have no rushing attack to fall out of fashion. None of the people usually blamed chose the structure they inherited. This paper looks at the machinery.

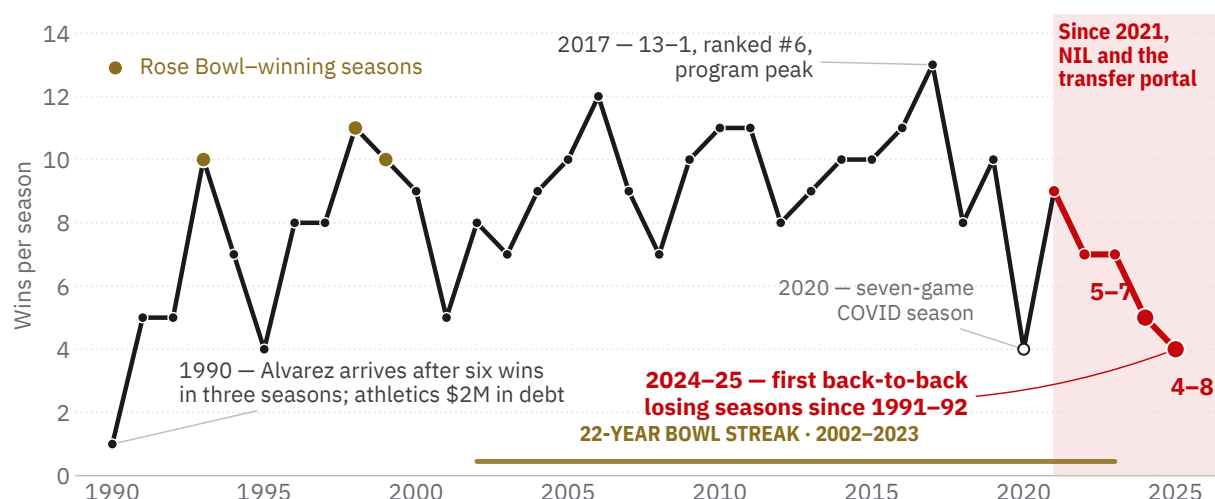


Figure 1: Wisconsin football's wins per season, 1990–2025.

Few institutions combine as many kinds of excellence as the University of Wisconsin–Madison. Each September, talented undergraduates arrive on the shores of Lake Mendota. Thousands stay for doctoral training. Faculty whose work has shaped medicine, agriculture, conservation, and social and economic policy sustain one of the nation's largest research enterprises. The professional schools supply the state's physicians, engineers, lawyers, and executives, many of whom later sustain the university as donors. On fall Saturdays, the state converges on Camp Randall for the university's most public event.

Football is also the athletic department's financial engine, so its long-run health matters to the sports it supports and to fans.

Most universities are known for one or two of these. Wisconsin competes in all five, and none is a possession. Each is a market, contested against different rivals for students, faculty, funding, donors, or players. Wisconsin remains formidable in research and across much of the academic core, while losing more ground in professional programs, doctoral

education, and football. State support per student has met or exceeded the peer median for twenty years, and the last fundraising campaign raised \$4.2 billion (Wisconsin Foundation and Alumni Association, 2026). A simple shortage should show up everywhere. Wisconsin's pattern does not.

The effects appear at different speeds. A football roster turns over in four years, so a changed market reaches the scoreboard quickly. Faculty rosters and reputations turn over across decades, so the same problem appears as slow erosion. Football may not be the largest failure; its capital simply wears out fastest, and its results are hardest to hide.

The institutional problem turns on three practical questions. Can a unit keep enough of the revenue it creates? Can the university set its price and borrow against future revenue? And do donors have a durable vehicle through which to invest? At Wisconsin, the answer has too often been no. The state, UW–Madison, athletics, and donors must act.

2 Won by rule, lost to the market

Wisconsin football was never the richest or most heavily recruited program. Its advantage was a system. In 1990, Barry Alvarez took over a program with six wins in three seasons while the athletic department carried roughly two million dollars in debt (Temple, 2015). With Chancellor Donna Shalala's backing and a passionate donor base, he built a program that won three Rose Bowls, reached thirteen wins in 2017, and played in twenty-two straight bowls. The founding was itself an allocation decision: Shalala moved resources toward a program with little reason to expect a return.

The system rested on development, retention, and continuity. Wisconsin recruited overlooked players, gave them time to develop, and kept coaches long enough for the methods to become institutional knowledge. From 2017 to 2019, Wisconsin won the second-most conference games in the Big Ten while ranking ninth in football spending (Guo and Seshadri, 2026a). Its walk-ons reached the NFL, and offensive lines built from lightly recruited in-state players became the program's signature.

The old rules made that model unusually valuable. A player who transferred generally sat out a season, and scholarship limits kept rivals from bidding openly for the finished product. Together the rules solved a familiar problem: why develop someone who can leave just as the return begins? A tackle who gains weight or a quarterback who learns the offense takes that skill with him. The old rules let the school paying the development cost capture the return. Wisconsin was built for that bargain.

For thirty years, the rules held and doing more with less looked like a birthright. The model depended on limits on mobility and on a roster price fixed largely by rule.

In 2021, the bargain changed. NIL payments let players be paid, and the transfer portal let them move without penalty. The House settlement, the legal settlement permitting direct school-to-athlete payments under a common annual cap, has since formalized the new

market. A richer program can now buy a player after another school has absorbed the years of development. Once Wisconsin must pay the market price to retain the finished player, development remains useful but no longer provides the same financial edge. A program that develops talent it cannot retain becomes a farm system.

The sequence is consistent with the timing of roster turnover. Wisconsin's 2021 team was still largely recruited and developed under the old rules. Each year after, a market-priced class replaced a fixed-price one, and richer programs could buy the best of what remained. Wins fell from nine to seven, seven, five, and four as the roster assembled under the old rules progressively turned over. The first such back-to-back losing seasons in more than three decades arrived one player-eligibility cycle after the market changed.

The timing matters. Coaching, injuries, and conference realignment may all have contributed, but none fully explains the pattern. The decline began before the Big Ten expanded in 2024 and before Paul Chryst was dismissed, then continued under Jim Leonhard and Luke Fickell. Wisconsin's competitive position deteriorated under three coaching regimes as the market changed.

Iowa is the natural comparison. It kept the model Wisconsin built: development, continuity, and lightly recruited in-state linemen. Kirk Ferentz has now coached there for twenty-seven seasons. Its quarterback arrived through the portal after five years of development at South Dakota State; Iowa describes him as the winningest starting quarterback at any NCAA level (Iowa Athletics, 2026). Its center, a converted defensive lineman developed and retained through the years when the portal now harvests players, became a unanimous All-American. Iowa also directed 37 percent of athletic-department expenses to football, against Wisconsin's 24 percent (U.S. Department of Education, 2024). The result was 37–0, Iowa's first shutout of Wisconsin in Madison since 1929 (Iowa Athletics, 2025).

The old Wisconsin formula still worked. Iowa simply ran it at the new market price.

The market now has several layers. The House settlement permits each school to share up to \$20.5 million with athletes in 2025–26, but that amount covers all sports and each department chooses football's share. Above it is third-party NIL money, previously organized through donor-funded collectives. Ohio State's athletic director put the NIL cost of its 2024 championship roster at roughly \$20 million (Dellenger, 2024); reporting a season later placed its payroll near \$35 million (Bachman, 2026). Wisconsin's lead athletics donor said the program had operated "well below" the conference's top third (Kellner, 2025).¹

Wisconsin's collective formed fourteen months after the market opened, two years before the first losing season. That makes it hard to blame the funding gap on donors reacting to a losing team. At Ohio State, the money came first and the title followed. Wisconsin's vehicle arrived late, and each poor season has made fundraising harder.

¹ No audited school-level total exists. Per-school NIL figures are self-reported and non-standardized, and in Wisconsin's case shielded from the state's open-records law by 2025 Wisconsin Act 203, the same statute that provided state funding for debt service on UW–Madison intercollegiate athletic facilities. The figures here are the on-record statements of the people who wrote or received the checks.

There is no contradiction in praising Wisconsin's old frugality and criticizing it now. Doing more with less worked under fixed player prices. Once the roster acquired a market price, refusing to adjust spending ceased to be efficiency. It became underinvestment.

3 The markets that were already priced

Wisconsin competes in at least five broad markets: football talent, research funding, doctoral admits, professional students, and undergraduates. Each has its own rivals, and the rival sets barely overlap. Only Michigan, the paper's primary benchmark, appears in all five, while six of the nine schools on the university's official peer list appear in none (Blank, 2022). Figure 2 maps these broad markets; the sections that follow trace Wisconsin's position over time.

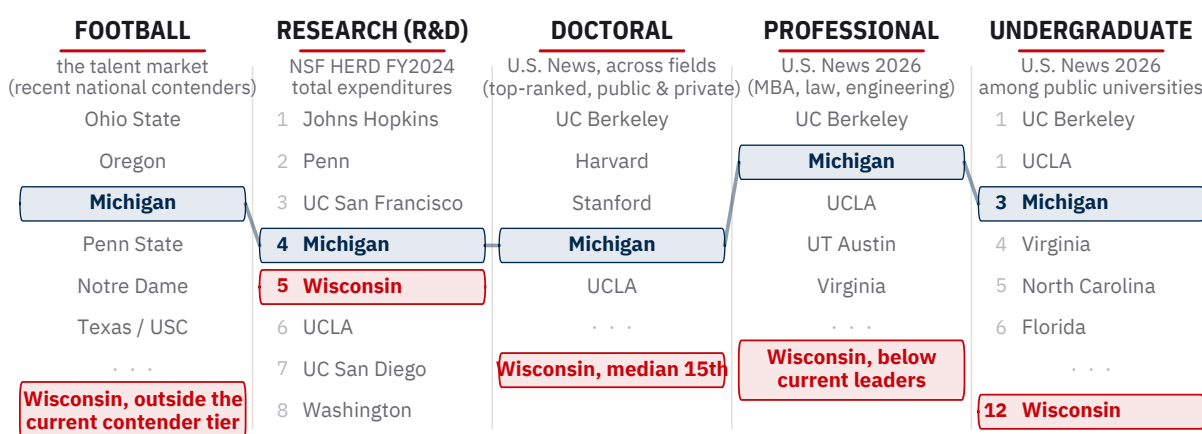


Figure 2: **Five markets, five rival sets.** The columns show current competitive standards and Wisconsin's position, not its historical trajectory; later figures show the changes over time. Sources: NSF HERD FY2024; U.S. News 2026.

Wisconsin does not now match the leaders in four of these five markets. The point is that today's gaps are neither uniform nor longstanding. In the mid-1990s, Wisconsin stood tenth nationally in the federal assessment of research doctorates, in the same top public tier as Michigan. In 2000, the two universities were tied in research spending. Football won three Rose Bowls and remained a national contender through 2017. Undergraduate standing fell and later recovered. Wisconsin's largest and most persistent losses instead appeared where talent, student demand, employer relationships, and revenue had to translate quickly into a program budget: professional schools, doctoral education, and, after 2021, football.

That pattern is difficult to reconcile with a general shortage of resources. A university weakened by a general shortage should decline broadly and in parallel. Wisconsin instead held or recovered where a structure could capture and reinvest the return, while falling farther behind where no comparable owner existed. The dividing line is not simply how

expensive talent is, but whether a unit can retain revenue, set price, finance growth, and build durable donor capacity. Economics and computer science also face strong market pressure. That does not mean every field should pay for itself. A great university must support scholarship whose public value exceeds its tuition or grant revenue; the question is whether those cross-subsidies are deliberate and revised as conditions change.

3.1 Professional programs

Start with the professional programs. The largest gaps are concentrated in three fields: the MBA (#48), engineering (#27), and law (#26). Wisconsin trails Michigan in all three, and the same pattern appears in reputation surveys that count no salary data at all.

The business school faced the same repricing as football on a slower clock: U.S. News now leans heavily on employment outcomes and salary. Indiana let its schools keep the revenue they earned beginning in 1990, responsibility-center budgeting in plain English: enroll more students, keep more of what they bring (Whalen, 1991). Kelley launched one of the first online MBAs at a top-ranked business school in 1999 and built it into the country's best, creating a revenue stream comparable to Wisconsin's entire business-school budget (Poets&Quants, 2026). When the market turned, Kelley remained in the 20s (Figure 3).

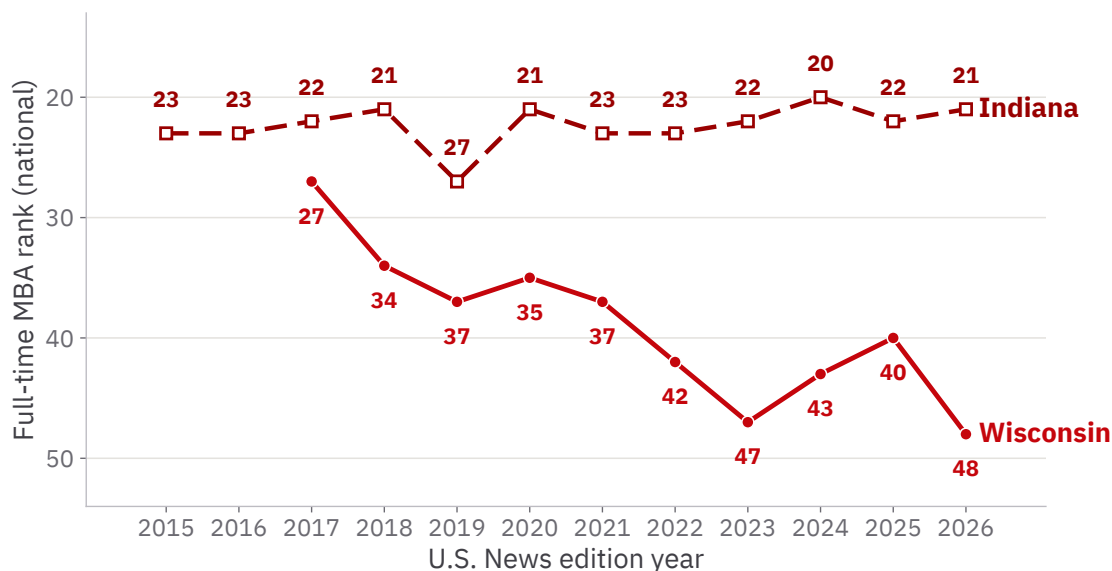


Figure 3: **Full-time MBA rank: Wisconsin vs. Kelley (Indiana).** Lower is better; the vertical axis is inverted. Source: U.S. News Best Business Schools, 2015–2026; recent values cross-checked against published reports.

Wisconsin's schools did not operate under the same rule. Most began each year with a budget rooted in the prior year's allocation, while tuition from additional enrollment returned largely to the center. The business school covered deficits with gifts and in 2017 reached the point of proposing exit from its flagship degree program, suspending the full-time MBA

to focus on specialized master’s programs. Donors stopped the plan (Schneider, 2018). The proposal itself revealed competitive strain; the ranking later fell from 27th to 48th.

Indiana’s football experience makes the same point from the opposite starting position. It moved football spending above the conference median in 2024 for the first time in two decades and, two seasons after a 3–9 record, won the 2025 national championship (U.S. Department of Education, 2024; College Football Playoff, 2026). It bought a roster capable of being coached to that result. Across business and football, Indiana moved the money when the market changed. Wisconsin waited.

3.2 Doctoral programs

Doctoral programs entered a national price competition even earlier. Strong applicants can compare Wisconsin’s stipend directly with competing offers. Wisconsin’s graduate standing has slipped across nearly every field over the past fifteen years (Guo, Ruhl and Seshadri, 2024), a decline slow enough that no single year made news. The budget problem is plain: the department pays the stipend, while much of the benefit from a stronger doctoral program is spread across the university. No unit receives the full return from winning the student.

Computer science deserves separate attention because it became one of UW–Madison’s largest academic programs and eventually prompted the creation of a new institutional structure.

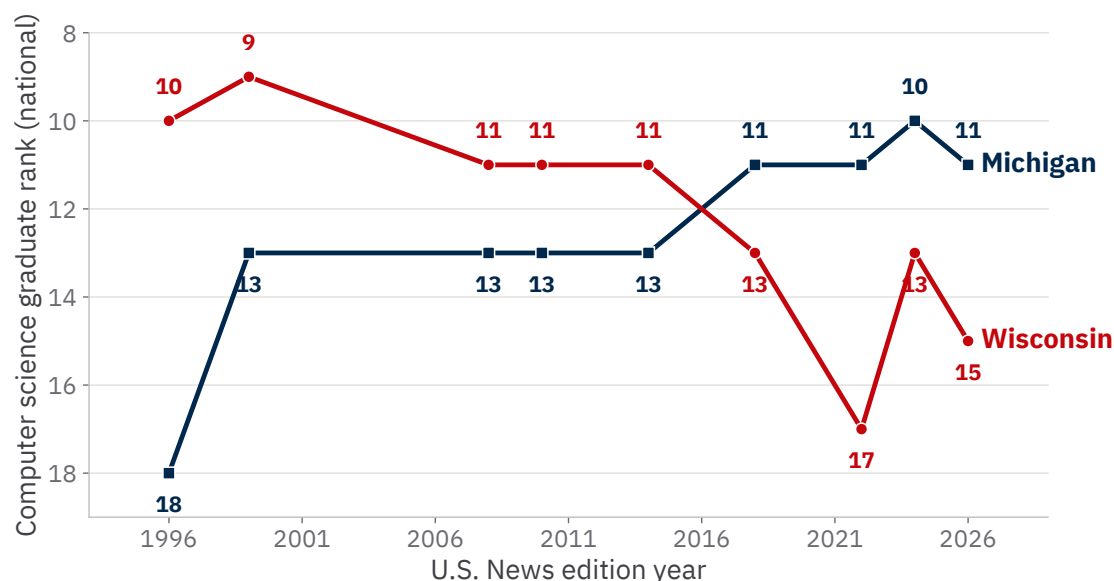


Figure 4: **Computer science graduate rankings: Wisconsin led Michigan for years; the programs have since crossed.** UW–Madison vs. Michigan–Ann Arbor, selected U.S. News editions, 1996–2026. Lower is better; the vertical axis is inverted.

Computer science remained strong inside Letters & Science for many years and often ranked ahead of Michigan. Yet its institutional position did not keep pace with the field’s

growth. Wisconsin created a school within L&S in 2019; a separate College of Computing and Artificial Intelligence was approved in December 2025, years after computing and AI had become central to student demand and research (University of Wisconsin–Madison, 2025a). The new college gives computing a dean, direct ties to employers and donors, and a more durable claim on resources. Wisconsin eventually built a structure better matched to the field, but only after the need had been clear for years.

3.3 The wider pattern

Figure 5 sets Wisconsin against Michigan field by field. The gap averages about 22 ranks in the professional schools and 5 across the academic core. The persistent, selective pattern across fields is reinforced by research spending, NIH awards, graduation rates, tuition revenue, and athletic expenditures.

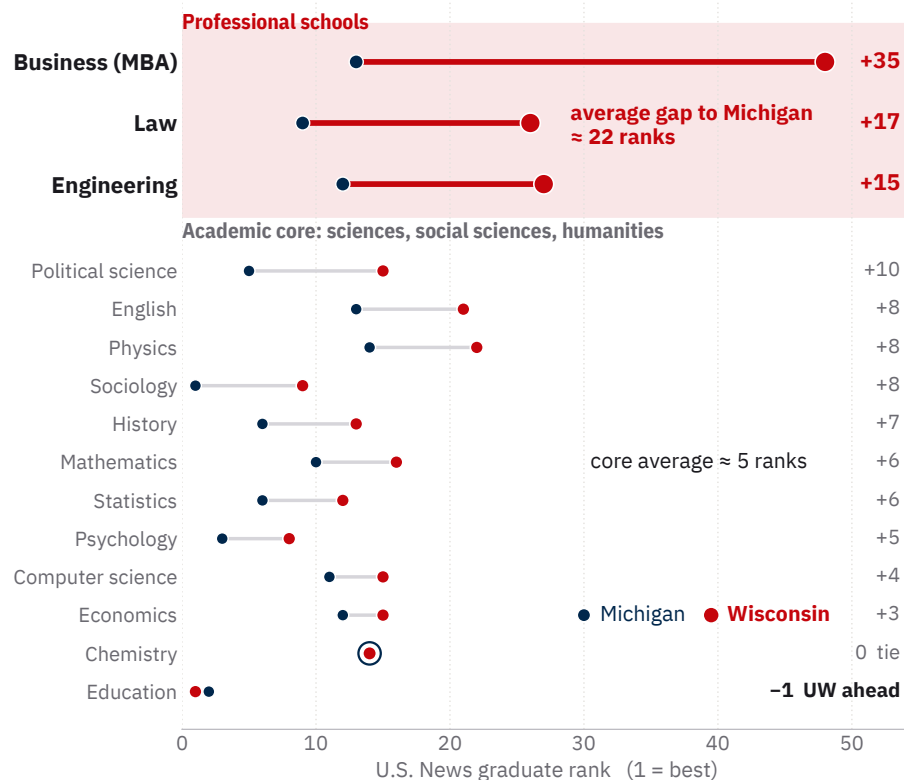


Figure 5: **The gap to Michigan is widest in the professional schools.** Source: U.S. News, 2026.

Michigan is the primary benchmark, not an impossible aspiration: Wisconsin stood in the same top public tier as recently as a generation ago. In the National Research Council's 1995 assessment, the last federal ranking of research doctorates, Wisconsin stood tenth in the nation, alongside Berkeley, Michigan, and UCLA (National Research Council, 1995); in 2000 the two were still deadlocked in total research spending, and they remain about 8 percent apart today (National Science Foundation, Division of Science Resources Statistics, 2003; National Center for Science and Engineering Statistics, 2025).

The gap that has opened since is not a matter of Michigan's wealth alone. Appendix A shows that Wisconsin exceeded Michigan in education appropriations per student in almost every year of the past four decades, and the gap widened – Michigan pulled away on money it raised for itself. Nor is the gap an artifact of the Michigan comparison: Wisconsin also trails UCLA and other leading public universities in business, engineering, and law, and the same shape appears in reputation surveys that count no salary data at all. The gap widened most where talent acquired a price.

Outside options alone do not explain Figure 5: Wisconsin remained relatively close to Michigan in economics and computer science despite strong market pressure in both. The professional schools combine several pressures at once: expensive faculty, valuable student demand, employer-facing programs, tuition revenue, and donor networks. A school-level structure is especially useful for converting those pressures into resources. Markets also move in both directions. Computing expanded rapidly; other fields contracted, and peers closed or consolidated programs without tenured faculty losing jobs (Blank, 2016). An adaptive budget must invest when demand rises and reduce commitments when it falls. Wisconsin has usually relied on exceptions rather than a routine rule.

What this costs is not measured in rankings. Persistent losses of engineering faculty to industry mean fewer teachers, patents, startups, and grants; sustained business-school underperformance means fewer founders, executives, and future donors carrying a Wisconsin degree. The schools the university underinvests in are the ones tied most directly to the state's economy – which is why a taxpayer should care.

3.4 Medicine

Medicine offers the paper's closest internal comparison. Academic medicine was a priced market long before college football. In 1996, the university hospital became an independent public authority under Chapter 233, with its own board, control of operating revenues, power to issue revenue bonds, and greater authority over facilities, personnel, and purchasing. The medical school remained inside the university's ordinary governance structure. Statute and the affiliation agreement preserved the hospital's obligations to patient care, education, research, and public service. The public mission did not change; the machinery did (State of Wisconsin, 1995; Wisconsin Legislative Audit Bureau, 2001).

Figure 6 tracks the two sides of academic medicine after that split. The top panel shows the hospital. Michigan remained on the U.S. News Honor Roll for most of the period; Wisconsin first entered in 2019, at 17th, six places behind Michigan. The bottom panel shows medical-school NIH funding. Wisconsin ranked 32nd in 2001 and Michigan 13th; by 2019 the ranks were 28th and 10th, and by 2025 Wisconsin had improved to 24th while Michigan remained 10th. The hospital entered a national tier it had not reached before, while the medical-school gap narrowed only modestly.

The Honor Roll is a cutoff, not a continuous rank. Hospitals outside it received no overall position, and Appendix C documents the methodology changes (RTI International, 2017).

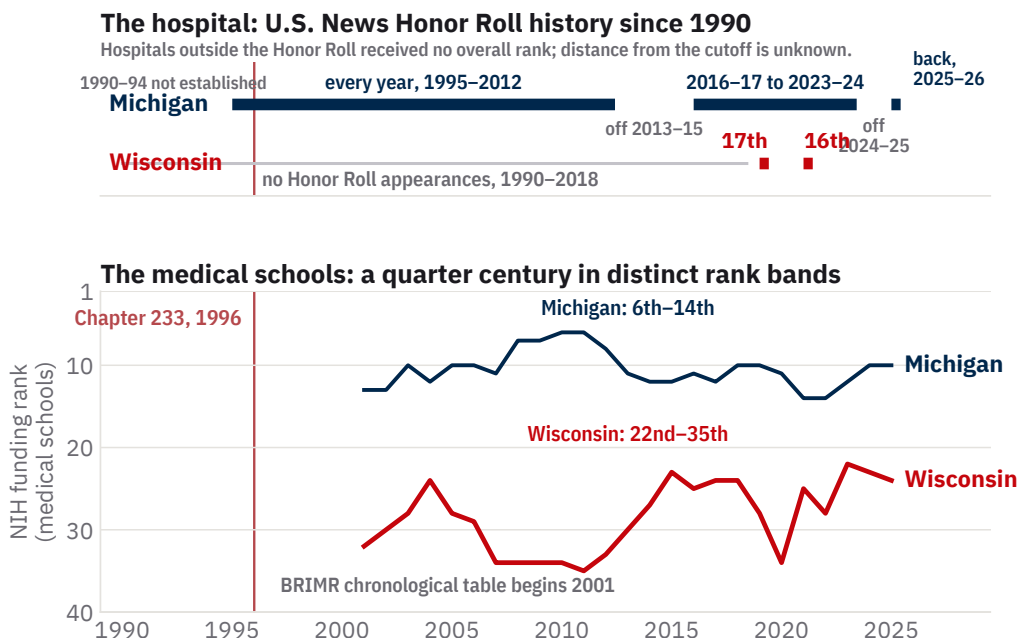


Figure 6: **Hospital Honor Roll history and medical-school NIH funding rank.** U.S. News Best Hospitals Honor Roll membership since 1990 (top) and medical-school NIH-funding rank, 2001–2025 (bottom). Honor Roll membership is a threshold, not a continuous hospital rank. Sources: U.S. News Best Hospitals editions; Blue Ridge Institute for Medical Research (2026); see Appendix C.

An older benchmark points in the same direction. In the mid-1990s, Wisconsin had far less national specialty breadth than Michigan; by 2019, both hospitals were ranked in all twelve specialties.²

The 2001 Legislative Audit Bureau report described the Authority’s early financial and operating results as mixed, but the new powers were not merely on paper. By March 2000, it had issued \$106.5 million in bonds, the statutory maximum, and launched what LAB called an “aggressive building program.” Of 109 projects on state-owned land in its first four years, 103 proceeded without outside approval. Outpatient visits rose 29.2 percent, support for medical education was maintained or increased, and personnel flexibility expanded (Wisconsin Legislative Audit Bureau, 2001).

²NORC’s 1996 assessment, based largely on 1993–94 data, placed Wisconsin in the national top 50 in three of twelve data-driven specialties and Michigan in eleven. Because the specialty definitions and formulas later changed, the comparison shows breadth rather than a continuous quality score (National Opinion Research Center, 1996; University of Wisconsin School of Medicine and Public Health, 2019; Michigan Medicine, 2019; see Appendix C).

The hospital and medical school perform different work and remain deeply intertwined, so this is not a clean experiment. But they share a campus, a state, and the same Michigan benchmark. The side given control of capital, operations, and personnel converged more, and the audit confirms that it used those powers.

Autonomy did not guarantee progress. It made progress possible.

Chapter 233 therefore supplies the paper’s strongest precedent. Wisconsin preserved a public mission and public accountability while giving a public institution the machinery needed to compete. Three decades later, the side with its own balance sheet is the side that converged more. Medicine is the clearest example of the pattern developed next: recoveries had owners.

4 The recoveries had owners

Wisconsin’s own recoveries show that decline is not inevitable. Over the past two decades, its standing weakened in research, undergraduate education, and graduate education. Research and undergraduate outcomes recovered (Figure 7); doctoral standing did not. The difference was not a sudden return of talent or ambition. It was whether an institution had responsibility for the result, authority to act, and a way to benefit from success.

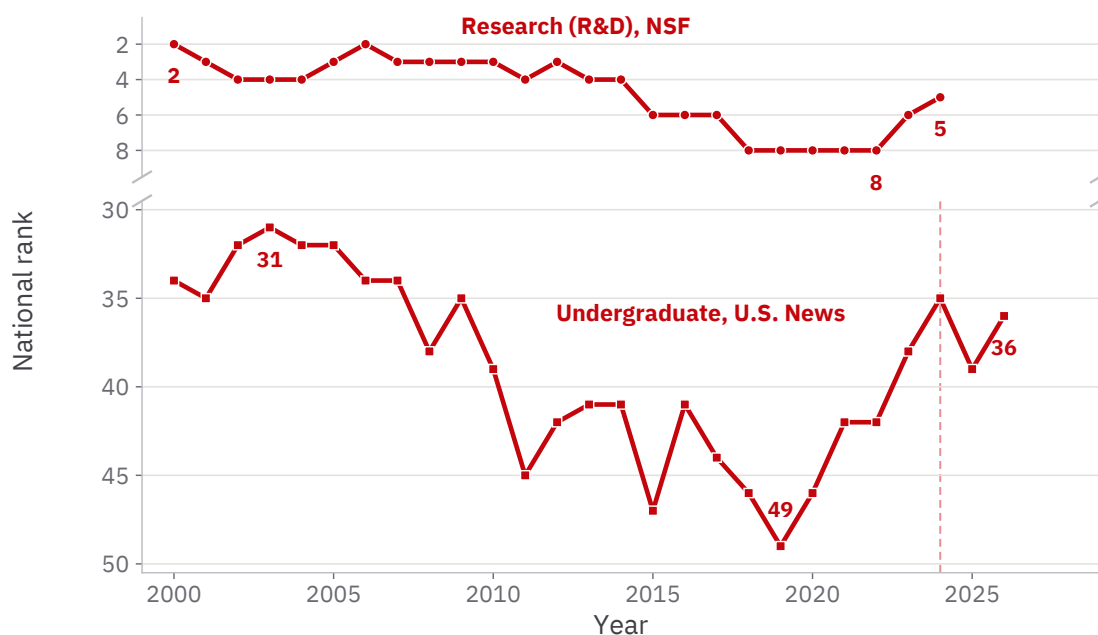


Figure 7: **UW–Madison’s national rank in research spending (NSF total R&D, top panel) and in undergraduate quality (U.S. News, bottom panel).** Lower is better. The vertical line marks the 2024 methodology change. Sources: research series through FY2022 and undergraduate series through the 2024 edition from Guo, Ruhl and Seshadri (2024), drawing on NSF HERD and U.S. News; later years from UW–Madison news releases.

4.1 Research

Research recovered where external awards have an institutional owner and a visible return. WARF is an independent nonprofit that patents and licenses UW discoveries and uses the proceeds to support university research. WARF and the research office are charged with building research capacity, while federal grants return indirect-cost revenue to the university. WARF provided \$159.8 million in support in 2025 (Kenosha News, 2025) and nearly \$207 million in commitments into 2026 (Wisconsin Alumni Research Foundation, 2025b), while UW–Madison’s federal funding increased by \$114 million in FY2024 (University of Wisconsin–Madison, 2025b). The architecture survives changes in leadership, preserving the institution’s ability to capture and reinvest research returns.

4.2 Undergraduate education

Undergraduate standing improved before the ranking formula changed. A decade-long completion effort raised the four-year graduation rate from 54 percent to 71.2 percent, while lifting the nonresident enrollment cap in 2015 increased out-of-state enrollment by 29 percent and tuition revenue by 47 percent in three years (University of Wisconsin–Madison, 2020b; Inside Higher Ed, 2023). Wisconsin’s U.S. News rank rose from 49th in 2019 to 38th in 2023. The 2024 overhaul dropped alumni giving and class size, added outcome measures, and placed more weight on graduation and social mobility; Wisconsin rose to 35th before settling at 39th and then 36th (Wisconsin State Journal, 2024). The gains were real; the peak partly reflected the new formula, and Washington Monthly places Wisconsin much higher on social mobility (Washington Monthly, 2024).

4.3 Doctoral education

Doctoral program rankings did not recover under a structure that lacked the institutional focus and priority a school like Michigan gives PhD education. A graduate stipend is a cost to the department or school that pays it, but much of the return – stronger programs, faculty recruitment, research output, and external grants – accrues across the university. Michigan’s Rackham Graduate School provides more than \$50 million annually in graduate support, combining program funding, university-wide fellowships, recruitment awards, and policies that encourage students and faculty to bring in outside support (Rackham Graduate School, 2025). When Michigan competes for a top graduate student, departments compete with the backing of a centralized graduate strategy. At Wisconsin, offers are more often assembled within individual departments, where graduate support competes directly with other local budget demands. No comparable institution was created to make graduate funding a university-wide competitive priority.

Wisconsin has built such structures before. WARF captures discovery returns and converts them into long-term investment. Research and undergraduate standing recovered because someone owned the return; graduate education had no comparable owner. Wisconsin

performs when responsibility, authority, and resources align. The question is why that alignment has been so difficult.

5 Three locks on the market rate

The state explains much of Wisconsin's difficulty, though not all of it. Resident tuition has been treated as a political price, the university cannot borrow against its own future revenue, and large projects move through a process designed for government buildings. No one designed this system in a single decision. UW–Madison adapted through gifts, new programs, special statutes, and occasional reorganizations, but each remained an exception.

State rules limit how much money Wisconsin can raise and how quickly it can build. They do not determine every internal allocation. Three questions organize the argument:

Institutional question	Practical test	Lock
Does a unit keep a meaningful share of the revenue it creates?	Can today's success finance tomorrow's investment?	Retention
Can the university set its price and borrow against future revenue?	Can it raise money and build when the need appears?	Autonomy
Can donors give through a durable institution?	Can a gift build lasting capacity beyond the immediate need?	Vehicles

Athletics is the cleanest internal test. It keeps its own revenue and controls its operating allocation. The state can explain a delayed building, but not a football share that generally remained well below its peers after NIL.

5.1 Retention: when success finances the next investment

For decades, most UW–Madison units began with last year's budget, adjusted at the margin. New revenue returned largely to central campus, so enrollment growth increased teaching obligations immediately while recurring resources depended on a later allocation. That is the legacy model: the base follows history rather than demand. UW–Madison's own 2014 review found that resources lagged activity and that Wisconsin trailed peers in tying budgets to demand (Budget Model Review Committee, 2014). More than a decade later, the inherited base remains the starting point.

More than a decade ago, Wisconsin created a powerful exception: units launching self-supporting degree programs could keep roughly ninety cents of each tuition dollar they generated (University of Wisconsin–Madison, 2020a). The rule produced entrepreneurship. Economics used professional master's revenue to support doctoral stipends and faculty retention for a decade. But the arrangement depended on a volatile enrollment market, and

it was policy rather than structure, set by one administration and revisable by the next. It changed behavior at the margin without changing the inherited base.

Computing illustrates the tradeoff in solving a budget problem through organization. The field grew successfully inside L&S, but the durable commitment came through a separate college. A slow-moving budget encourages permanent organizational solutions because units cannot trust resources to follow changing demand. Retention can improve internal incentives; it cannot solve an external price and capital constraint.

5.2 Autonomy: who controls price and capital

Price. Resident tuition is too low. Resident undergraduate tuition was frozen by statute beginning in 2013–14. After the statutory freeze was lifted in 2021, the Regents continued to hold tuition flat through 2022–23. That decade of flat pricing, politically popular and a price control in the plain sense, left about \$53 million a year uncollected. In 2025–26, resident tuition and fees of about \$12,166 put Wisconsin 12th-lowest of the 38 public members of the AAU, while its research peers charge their residents 51 to 73 percent more (Guo and Seshadri, 2026*b*). The sticker price is not what the state's neediest families pay: Bucky's Tuition Promise, launched in 2018, covers tuition and segregated fees in full for eligible resident students from households with adjusted gross incomes of \$65,000 or less. Tuition rose beginning in 2023–24, but subsequent increases have not closed the gap. A decade of uncollected revenue compounded into a widening distance from Wisconsin's peers.

Capital. A university with a \$3.6 billion annual budget controls neither its own borrowing nor most of its capital projects. Major borrowing runs through the state, so university projects compete with other state priorities. Program-revenue borrowing authority would instead allow UW–Madison to pledge defined streams of its own future revenue, without pledging the state's general credit and subject to statutory limits and public oversight (Seshadri, 2018).

The credit existed; standing authority did not. Peers locked in hundred-year money near 4 percent, while Wisconsin asked for borrowing authority from 2013 onward and was denied (Nietzel, 2022; Wisconsin State Journal, 2023). During COVID, athletic departments across the conference borrowed through their universities; Wisconsin instead depleted reserves. Even state support for athletic-facility debt service under 2025 Wisconsin Act 203 required a special appropriation. The \$285 million practice facility makes the mistiming concrete: conceived when schools competed through facilities because they could not pay players, it was approved after they could. The hospital and technical colleges can borrow; the Universities of Wisconsin and Badger Athletics cannot.

Table 1: **The resources were there. The machinery was not.**

Item	Scale	Constraint
Revenue forgone from flat resident tuition, 2013–14 to 2022–23	≈ \$53M/year	Autonomy: price constrained by statute, then policy
Athletic-facility debt service under 2025 Wisconsin Act 203	\$14.6M/year	Autonomy: capital constrained by statute
Collective funding relative to conference leaders	Trails leaders	Vehicles: the needed structure arrived late
Football spending below the conference median	≈ \$13M/year	Internal allocation: precedent
Morgridge Hall, computing capacity	\$267M (one-time)	Autonomy: capital; philanthropy substituted for borrowing

Note: Resident tuition remained flat from 2013–14 through 2022–23, first by statute and then by policy; the tuition figure is the resulting annual forgone revenue. The Act 203 figure is a current annual amount. Collective funding is disclosed at neither the school nor the sport level, so that row records direction rather than a dollar amount. Sources: Guo and Seshadri (2026b); 2025 Wisconsin Act 203; Kellner (2025); U.S. Department of Education (2024); WKOW (2025).

The entries in Table 1 are not one fungible pile of cash. Tuition cannot pay athletes, a gift cannot automatically replace an operating budget, and borrowing does not create income. The table shows a recurring pattern instead: the state constrained price and capital; the university and its donors built special solutions; athletics left a major operating allocation largely untouched. Wisconsin is not poor. It is fragmented, constrained, and slow to move resources across the places where they are legally and institutionally available.

5.3 Vehicles: when philanthropy substitutes for a balance sheet

Building what the budget could not. The Wisconsin Naming Partnership brought together thirteen alumni to finance faculty lines and program growth; when announced in 2007, it was the largest gift in university history (Inside Higher Ed, 2017). Unlike Michigan’s \$100 million Ross gift, the naming right was collective, limited to twenty years, and left the school in control of its direction. But the partnership did more than name a building. Because Wisconsin retained little of the tuition generated by growth, philanthropy supplied capital that responsibility-center budgeting would ordinarily have allowed the school to finance itself. At Wisconsin, the naming gift funded the expansion itself, not merely a margin of excellence.

Substituting for a balance sheet. Morgridge Hall’s \$267 million came entirely from private sources because the university cannot borrow. At the ribbon-cutting, John Morgridge explained the result: “The state government doesn’t do ‘now’ ” (The Daily Cardinal, 2025).

Endowing a structure that owns its returns. About a century ago, nine alumni contributed one hundred dollars apiece to charter WARF, and Harry Steenbock assigned it his vitamin D patent (Wisconsin Alumni Research Foundation, 2025a). WARF's value is institutional: its ability to capture and reinvest research returns survives leadership changes.

Football's donor shortfall was a failure of vehicle, not wealth. Wisconsin's donors did not become poorer in July 2021. The Varsity Collective arrived fourteen months after the market opened; the department's in-house arm, Badger Athlete Partners, four and a half years after (PR Newswire, 2022; Wisconsin Athletics, 2025c). The timing shows that the constraint was institutional rather than financial.

Wisconsin repeatedly used philanthropy in place of the borrowing authority available to its peers. Appendix B sets the four episodes side by side – the rebuild, the school, the building, the practice facility. Donors financed capital and capacity four times across thirty-five years. The operating share appears in no row.

5.4 The internal test: athletics

Athletics supplies the cleanest internal test. The department controls its operating allocation, yet precedent still governed it. Autonomy is therefore necessary but not sufficient: freedom to act must be paired with rules that move resources as demand changes and a durable vehicle that can finance the response.

Football generates 58 percent of department revenue³ but accounts for about 24 percent of spending, the lowest reported share in the Big Ten: roughly \$42 million against a conference median near \$55 million (Figure 8). Athletics controls that allocation outright. The share remained low for two decades because last year's number became this year's starting point.

Football's operating budget and roster spending are legally distinct, but both are allocation choices within Wisconsin athletics. Wisconsin is below the conference median in operating spending and appears to trail the conference leaders in roster spending. Under the old rules, walk-ons and redshirts supplied depth over time. In the new market, depth is another payroll line.

Title IX does not explain the persistently low operating share. The law governs participation opportunities and scholarship proportionality, not every coaching, recruiting, and support expense where Wisconsin trails its peers. Several Big Ten departments sponsor more teams than Wisconsin and still devote materially larger shares to football. Those obligations long predate NIL and cannot explain why Wisconsin's football share remained unusually low after the market changed.

³In testimony on the bill that became 2025 Wisconsin Act 203, the athletic department said revenue sports, led by football, generate roughly 80 percent of department revenue. The 58 percent used here comes from the federal EADA filing, which applies a common definition across all eighteen schools. We use it because it is comparable and conservative; against a 24 percent expense share, either measure supports the same point. Main-text percentages are rounded; Appendix C reports the 24.5 percent value and the stadium-debt sensitivity.

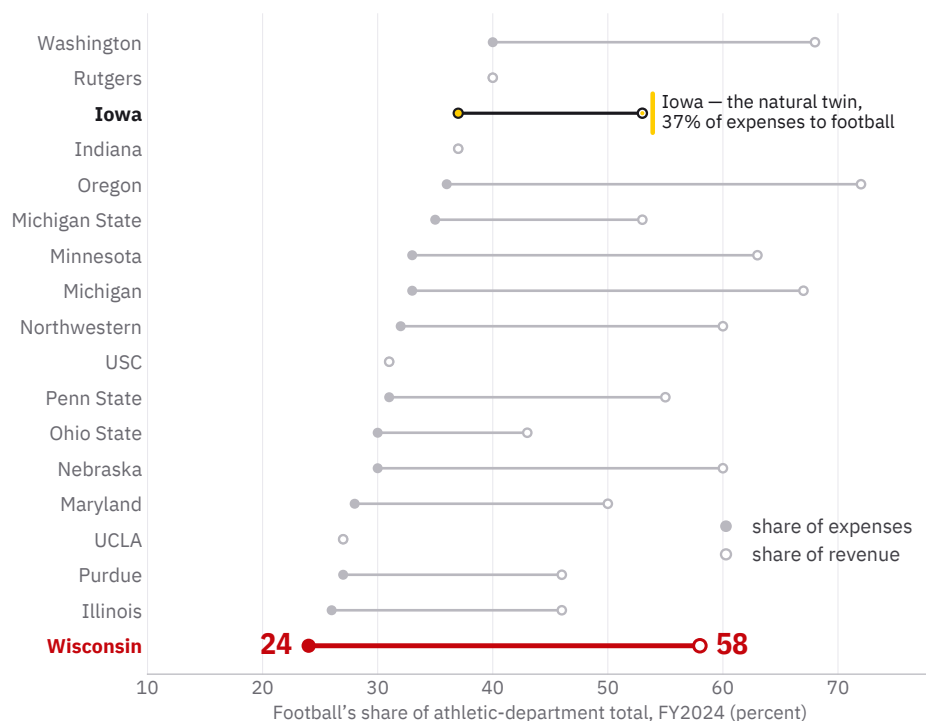


Figure 8: **Wisconsin funds its biggest earner least.** Football's share of athletic revenue (hollow) and expenses (solid), FY2024; Wisconsin 24 / 58, Iowa 37 percent of expenses. The gap supports other sports and department-wide costs. Source: EADA, FY2024.

Reallocation is not costless. Unless new revenue covers the difference, raising football's share means slower growth or cuts elsewhere. Title IX and Wisconsin's commitment to broad participation properly constrain those choices, but do not justify preserving a spending split inherited from an earlier market.

A larger football share need not begin with cuts to existing sports. Athletics can first direct a larger share of new media, sponsorship, donor, and House-settlement revenue toward the activity that generates most of the department's revenue.

Figure 9 shows how long the allocation persisted. Wisconsin generally remained below the conference median, even as peers adjusted. The FY2023 spike largely reflects one-time coaching-transition costs. Wisconsin's NCAA reports record \$16.6 million in football severance that year, compared with zero the year before and \$1.0 million the year after (Wisconsin Athletics, 2023, 2024, 2025a). EADA and NCAA filings classify expenses differently, so the figures do not reconcile dollar for dollar. Even so, the severance charge is large enough to account for the increase above the adjacent-year range; the spike does not show a durable increase in football's operating allocation. Money does not buy a contender: Minnesota raised football's share without becoming one. In a priced market, it does help set the floor. Athletics, not the state or central campus, sets the operating allocation. Capital rules can delay a building; they cannot explain a persistently low operating share.

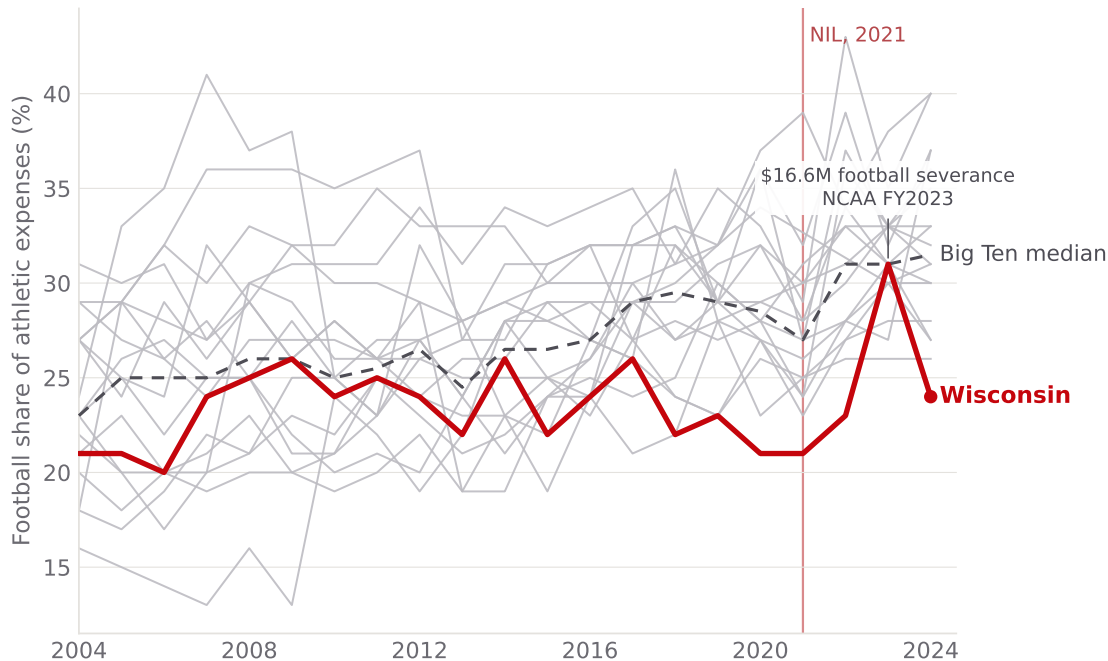


Figure 9: **Low by precedent, still low after NIL.** Football's share of athletic-department expenses, all 18 current Big Ten programs, FY2004–2024, with Wisconsin in red and the Big Ten median dashed. Penn State did not report data for 2021–22. Source: EADA (U.S. Department of Education, 2024). Note: Wisconsin's NCAA financial reports record football severance of \$0 in FY2022, \$16.557 million in FY2023, and \$1.017 million in FY2024 (Wisconsin Athletics, 2023, 2024, 2025a). NCAA and EADA expense categories differ, so the amounts are not directly additive.

The evidence lies in the conjunction: a low operating share, a collective formed fourteen months after the market opened, an in-house vehicle four and a half years later, and no standing borrowing authority. Together they describe a system slow to move at every margin.

The same habit appeared in separate budgets across Wisconsin higher education. The Universities of Wisconsin historically began from the prior allocation among campuses; UW–Madison did much the same across schools and colleges; athletics did so across sports. Because these budgets do not draw from the same operating pool, the parallel cannot be dismissed as one shortage appearing twice. Independent budgets produced similar rules.

Wisconsin is free to exit this market, as Chicago once exited big-time football. It has chosen not to do so, just as it did not exit the MBA market. The incoherent position is to remain in either market while refusing to pay a competitive price. The old model can still create value through development and efficiency, but only after the program buys enough talent and depth to make those advantages matter.

5.5 Why change came late

The state made adaptation less rewarding. A university that cannot set its own price or borrow against its future gains less from a budget that follows demand, because there is less revenue to move.

The deeper answer is that Wisconsin was rarely forced to change. A precedent budget survives until circumstances make it untenable, and Wisconsin never faced the sustained pressure that pushed peers to rethink how they priced, borrowed, and allocated: state appropriations per student have sat at or above both the Big Ten and public-AAU medians in every one of the past twenty years (Figure 10).

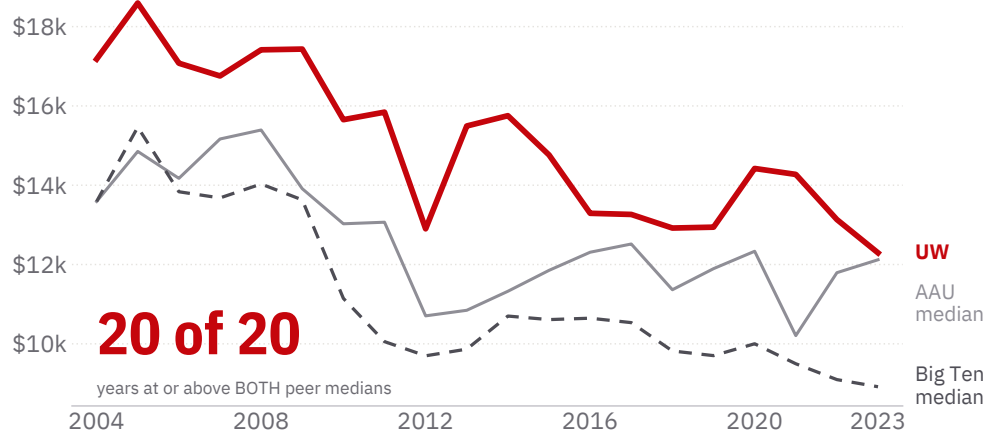


Figure 10: **20 of 20 years at or above the peer median.** State appropriations per FTE student, FY2004–2023, constant 2024 dollars. Real support drifts down for every flagship after the mid-2000s; same definition applied to every institution. Source: IPEDS (National Center for Education Statistics, 2025).

Michigan faced different incentives. It received less state support per student, relied more heavily on tuition, had routine access to capital markets, and built an endowment capable of carrying more of the load. By 2023–24, Michigan charged residents about \$17,228 in tuition and fees, compared with \$11,205 at Wisconsin (National Center for Education Statistics, 2025). Wisconsin received more state support but held down tuition without fully replacing the lost revenue; Michigan consequently had more spendable resources per student. Stable support made Wisconsin’s freeze survivable, while reducing the pressure to build the financial machinery Michigan came to rely on. Appendix A traces the full comparison.

Stable support preserved the old model while limiting adaptation. Chapter 233 shows that autonomy can coexist with accountability. Football may finally create the urgency to extend comparable flexibility to UW–Madison. The larger question is whether that flexibility will stop at athletics or reach the rest of the university.

6 What changes, and who moves

Football made the university's broader problem impossible to miss, but it is not a special case. Football and academics draw from separate operating pools: tuition cannot buy a roster, and athletic revenue cannot finance a doctoral department. The connection is institutional. The state controls price and capital; UW–Madison controls academic allocation; athletics controls its operating budget; and donors supply long-term capital through durable institutions.

6.1 Football and the university need different resources

Badger football needs more of athletics' own budget, donor support, sponsorship, and media revenue. The university needs more tuition revenue. A flagship that charges less than peers has less room for programs, capital, and student services; an athletic department that gives football the conference's lowest reported share underfunds its main revenue source.

Roughly half the Big Ten receives institutional support or student fees, including more than \$21 million at Rutgers, more than \$30 million at UCLA, and about \$18 million at Maryland (The Athletic, 2025). Several schools have added or raised such fees since the House settlement (Cardinal News, 2026). Wisconsin does neither; its athletic department instead pays the university \$13.3 million for athletes' financial aid in 2025–26 (Wisconsin State Journal, 2025). That self-sustaining model is worth preserving. The problem is internal: athletics directs only a quarter of its spending to the sport that finances most of the department.

6.2 Three locks, three keyholders

The state holds the key to autonomy:

- **Price.** Resident tuition is too low because the state has treated it as a political price. Access should be protected through aid, not freezes or annual political pressure. Bucky's Tuition Promise already separates sticker price from what low-income families pay; any increase should extend aid above its threshold so middle-income families do not bear the full increase.
- **Capital.** The state should grant UW–Madison and Badger Athletics program-revenue borrowing authority, letting them finance projects against reliable future revenue rather than the state's full faith and credit. Debt limits, reserve requirements, regular audits, and greater project flexibility should apply. This would reduce demands on taxpayers and let useful projects proceed without years of delay.

These are longstanding, bipartisan constraints, not the work of one governor or legislature. Wisconsin has already chosen a different model: Chapter 233 gave the university hospital control of its revenues, facilities, and borrowing while preserving a statutory public mission.

The state grants similar tools to other public entities, including technical colleges, but not to the flagship.

Greater institutional autonomy is consistent with the land-grant mission. The Morrill Act placed public assets in trust, dedicated investment income to education, and required accountability. Tuition freezes, centralized capital management, and fixed internal allocations are later governance choices, not the mission itself.

The Wisconsin Idea states the public purpose in Wisconsin's own terms: the university should reach the boundaries of the state through the people it educates, the research it produces, and the expertise it carries beyond campus (University of Wisconsin–Madison, n.d). That is a commitment about what the university delivers, not about a particular tuition level, borrowing process, or internal budget formula. When later governance choices leave the university unable to compete for faculty, students, and ideas, they frustrate the Wisconsin Idea rather than protect it. The Wisconsin Idea is not a defense of the current machinery. It is the standard that machinery is failing.

The university holds the key to retention. Schools and departments should retain a meaningful share of revenue from additional enrollment and new programs; the self-supporting-program experiment shows what units do when they keep what they earn. Not every dollar should remain where it was earned: cross-subsidy sustains fields whose public value exceeds their tuition or grant revenue. But those transfers should be chosen and visible, not inherited. Greater flexibility should be accompanied by regular reporting on major allocation changes and cross-subsidies.

Athletics and donors hold the key to the third lock. Athletics should move more of its operating budget toward football, while donor and commercial revenue should flow through a structure able to receive and invest funds, enter multiyear contracts, borrow against defined revenue streams, and report publicly on its finances. Wisconsin offers two precedents:

- **A Chapter 233-style public authority.** Chapter 233 created a separate, accountable institution with its own board, control of operating revenues, and borrowing authority. The hospital used those powers while preserving its public mission.
- **A nonprofit or holding-company structure.** Kentucky, Utah, Clemson, and others use entities that can raise capital and move at market speed; Louisville has operated a separate nonprofit with borrowing power since 1984 (Front Office Sports, 2025; University of Louisville Athletic Association, 2025).

Wisconsin need not copy either model. The legal form is secondary to aligning capital, authority, and accountability in one durable institution. WARF demonstrates the principle: capital compounds when an institution can receive it, invest it, and capture part of the return. Donors should not have to rebuild the vehicle every time the market changes.

6.3 Reform, not merely a new leader

Wisconsin repeatedly found intelligent ways around its limits through self-supporting programs, donor partnerships, WARF, and Chapter 233. The repeated need for exceptions is itself the finding. It points toward governance reform.

Greater autonomy shifts risk rather than eliminating it. As the self-supporting-program episode showed, market revenue can fall as well as rise. But the current model concentrates political and timing risk and has outlasted governors and legislative majorities of both parties. Wisconsin has changed its governance before when the public purpose required greater institutional autonomy. It should extend that logic to the university and athletics.

Wisconsin should root for its new athletic director, Shawn Eichorst. It should also avoid mistaking a new leader for a new model. Alvarez had a chance to succeed because Donna Shalala was willing to put the budget behind him. Eichorst inherits a market in which talent costs more and moves faster, but an operating allocation still anchored in the old world. He needs the backing to redirect spending, authority for athletics to borrow against future revenue, and a durable vehicle for donors. The best support Wisconsin can give him is a system built for the market he now faces.

In 1990, a chancellor looked at a football program with six wins in three seasons and an athletic department about two million dollars in debt, then moved money toward opportunity. The decision did not guarantee thirty years of winning; it made them possible.

The fix is not an import. It is the founding.

References

- Bachman, Rachel.** 2026. "Ohio State's \$35 Million College Football Playoff Flop." *The Wall Street Journal*.
- Blank, Rebecca M.** 2016. "UW-Madison, the Board of Regents and Tenure (Blank's Slate, Office of the Chancellor blog, April 8)."
- Blank, Rebecca M.** 2022. "State of the University: Presentation to the UW System Board of Regents (February 10, 2022)."
- Blue Ridge Institute for Medical Research.** 2026. "BRIMR Rankings of NIH Funding in 2025, Including "Schools of Medicine" and "Schools of Medicine 2001–2025," Derived from NIH RePORT Year-End Data."
- Budget Model Review Committee.** 2014. "University of Wisconsin–Madison Budget Allocation Model: A White Paper." University of Wisconsin–Madison. February 2014.
- Cardinal News.** 2026. "Analysis of the Knight-Newhouse College Athletics Database: Division I Student Athletic Fees Total \$1.2 Billion per Year; 16 Programs Take No School Money, Eight of Them in the Big Ten."
- College Football Playoff.** 2026. "National Championship Game Recap: Indiana 27, Miami 21 (January 19)."
- Dellenger, Ross.** 2024. "Ohio State's Roster Cost About \$20 Million, Says AD Ross Bjork." *Yahoo Sports*.
- Front Office Sports.** 2025. "Kentucky to Consider Spinning Off Athletic Department into LLC (Champions Blue)."
- Guo, Junjie, and Ananth Seshadri.** 2026a. "NIL and Badger Football's Decline." Center for Research on the Wisconsin Economy.
- Guo, Junjie, and Ananth Seshadri.** 2026b. "UW–Madison's In-State Tuition Is Too Damn Low." *Center for Research on the Wisconsin Economy*.
- Guo, Junjie, Kim J. Ruhl, and Ananth Seshadri.** 2024. "Is UW–Madison in Decline?" Center for Research on the Wisconsin Economy.
- Inside Higher Ed.** 2017. "A School Money Can't Buy (June 8)."
- Inside Higher Ed.** 2023. "Wisconsin Out-of-State Enrollment Spiked After Cap Removal (November 28)."
- Iowa Athletics.** 2025. "Hawkeyes Shut Out Badgers, 37–0 (hawkeyesports.com game recap, October 11)."
- Iowa Athletics.** 2026. "Mark Gronowski – Football 2025–26 Player Bio (hawkeyesports.com)."
- Kellner, Ted.** 2025. "Remarks on Wisconsin's Football Budget (ESPN Madison, "Kyle, Brust, and Nortman," November 19; carried by Sports Illustrated, November 20)."
- Kenosha News.** 2025. "WARF, UW-Madison's Tech Transfer Arm, Celebrates 100 Years (January 1)."
- Michigan Medicine.** 2019. "Michigan Medicine Hospitals Ranked Best in Michigan, No. 11 in the U.S. by U.S. News & World Report." *News release, University of Michigan, July 30*.
- National Center for Education Statistics.** 2025. "Integrated Postsecondary Education Data System (IPEDS): Finance, Enrollment, and Institutional Characteristics Surveys, FY2004–FY2023." U.S. Department of Education, Institute of Education Sciences.
- National Center for Science and Engineering Statistics.** 2025. "Higher Education Research and Development: Fiscal Year 2024 (NSF 26-304)." U.S. National Science Foundation.
- National Opinion Research Center.** 1996. "The 1996 Index of Hospital Quality." NORC at the University of Chicago.
- National Research Council.** 1995. "Research-Doctorate Programs in the United States: Continuity and Change." National Academy Press, Washington, DC.
- National Science Foundation, Division of Science Resources Statistics.** 2003. "Academic Research and Development Expenditures: Fiscal Year 2001 (NSF 03-316), Table B-32."
- Nietzel, Michael T.** 2022. "University of Michigan Issues Record \$2 Billion in Bonds (Forbes, March 12)."
- Poets&Quants.** 2026. "2026 OMBA Ranking: What It Costs to Get an Online MBA (January 20)."
- PR Newswire.** 2022. "The Varsity Collective Launches as Wisconsin's First Donor-Led NIL Organization (September 9)."
- Rackham Graduate School.** 2025. "Funding: Factors to Consider (rackham.umich.edu)." *University of Michigan*.
- RTI International.** 2017. "Methodology: U.S. News & World Report 2017–18 Best Hospitals Specialty Rankings." RTI International.
- Schneider, Pat.** 2018. "Held Back: How Wisconsin School of Business Donors Stalled Efforts to Revamp Its Programming (The Capital Times, March 21)."
- Seshadri, Ananth.** 2018. "UW–Madison and the State of Wisconsin." Center for Research on the Wisconsin Economy.

- State of Wisconsin.** 1995. "Wisconsin Statutes Chapter 233, University of Wisconsin Hospitals and Clinics Authority (created by 1995 Wisconsin Act 27; operational 1996)."
- State of Wisconsin.** 2026. "2025 Wisconsin Act 203 (Wisconsin Legislature)."
- Temple, Jesse.** 2015. "Oral History: How Barry Alvarez Transformed the Wisconsin Badgers Football Program (FOX Sports, June 30)."
- The Athletic.** 2025. "Big Ten Athletic Departments' 2024 Financial Statements: Seven Lessons from a Data Deep Dive (February)."
- The Century Foundation.** 2022. "Public Higher Education Funding and Tuition Revenue per Student, by State."
- The Daily Cardinal.** 2025. "UW, State Leaders Unveil Morgridge Hall, Ushering in 'AI Revolution' (October 3)."
- University of Louisville Athletic Association.** 2025. "Articles of Incorporation and Audited Financial Statements (Kentucky nonprofit corporation, organized 1984)."
- University of Wisconsin–Madison.** 2020a. "Tuition/Service-Based Pricing Programs (Policy UW-1033, policy.wisc.edu)."
- University of Wisconsin–Madison.** 2020b. "UW–Madison Recognized Nationally for Success in Increasing Graduation Rates (October 28)."
- University of Wisconsin–Madison.** 2025a. "Board of Regents Approves Proposal to Create the College of Computing and Artificial Intelligence."
- University of Wisconsin–Madison.** 2025b. "UW–Madison Top 5 in National Research Ranking for First Time Since 2014, Surpasses \$1.93 Billion in Research Expenditures (December)."
- University of Wisconsin–Madison.** n.d. "The Wisconsin Idea."
- University of Wisconsin School of Medicine and Public Health.** 2019. "UW Hospitals and Clinics Ranked No. 17 Nationally, Listed on the U.S. News Honor Roll for the First Time in the Rankings' History (Department of Medicine, July 30)."
- U.S. Department of Education.** 2024. "Equity in Athletics Data Analysis, Fiscal Year 2024." Office of Postsecondary Education.
- Washington Monthly.** 2024. "2024 College Guide and Rankings." *washingtonmonthly.com*, August 26, UW–Madison first among national public universities; 42nd in social mobility, up from 62nd; 16th in net price for families below \$75,000.
- Whalen, Edward L.** 1991. *Responsibility Center Budgeting: An Approach to Decentralized Management for Institutions of Higher Education*. Indiana University Press.
- Wisconsin Alumni Research Foundation.** 2025a. "The Discovery That Inspired a Foundation (warf.org)."
- Wisconsin Alumni Research Foundation.** 2025b. "WARF Celebrates Centennial with \$206.9 Million Commitment to UW–Madison Research (November 13)."
- Wisconsin Athletics.** 2023. "NCAA Membership Financial Report, 2021–22." University of Wisconsin–Madison.
- Wisconsin Athletics.** 2024. "NCAA Membership Financial Report, 2022–23." University of Wisconsin–Madison.
- Wisconsin Athletics.** 2025a. "NCAA Membership Financial Report, 2023–24." University of Wisconsin–Madison.
- Wisconsin Athletics.** 2025b. "Wisconsin Indoor Practice Facility Named in Honor of Alumni Ted and Mary Kellner and Family (uwbadgers.com, August 28)."
- Wisconsin Athletics.** 2025c. "Wisconsin Athletics and Learfield Launch Badger Athlete Partners (uwbadgers.com, December 17)."
- Wisconsin Foundation and Alumni Association.** 2026. "All Ways Forward Comprehensive Campaign (\$4.2 Billion, Concluded 2021)."
- Wisconsin Legislative Audit Bureau.** 2001. "An Evaluation: University of Wisconsin Hospital and Clinics Authority." Wisconsin Legislative Audit Bureau Report 01-12. June.
- Wisconsin State Journal.** 2023. "Gov. Tony Evers' Budget Endorses UW System Tuition Assistance, Drops Borrowing Authority Push (February)."
- Wisconsin State Journal.** 2024. "UW–Madison Slips Slightly in Annual Best Colleges Ranking (September)."
- Wisconsin State Journal.** 2025. "Revenue Sharing with Players Sends Wisconsin's Proposed Athletic Budget to Another Record High (April)."
- WKOW.** 2025. "UW–Madison Unveils Morgridge Hall in \$267 Million, Privately Funded Project (September)."

Appendix A. Why Michigan is the primary benchmark

Michigan is the primary benchmark, not the aspiration: the one school Wisconsin meets in all five markets and a peer it matched as recently as the 1990s. The obvious objection is financial – Michigan simply has more money – and the record shows how it acquired that margin. Michigan built its finances around its own tuition. Its publics now collect among the highest tuition revenue per student in the nation (The Century Foundation, 2022): by 2023–24 Michigan charged its own residents about \$17,228 in tuition and fees, compared with \$11,205 at Wisconsin (National Center for Education Statistics, 2025). In constant dollars Michigan’s resident price ran well above Wisconsin’s throughout, while Wisconsin’s rose to about \$14,000 by 2013 and then fell back near \$11,000 under the freeze (Figure A.1).

Yet Wisconsin’s state appropriation per student exceeds Michigan’s in every one of the twenty years from 2004 to 2023, the gap widening in constant 2024 dollars from about \$2,800 per student to roughly \$5,000 as Michigan absorbed a recession cut it never recovered and Wisconsin’s support fell far less (Figure A.2) (National Center for Education Statistics, 2025). What a university can spend per student is appropriations plus tuition, and on that combined measure Michigan sits above Wisconsin every year – the reverse of the appropriations picture – because higher tuition more than compensated for Michigan’s lower public support (Figure A.3). Michigan opened the spending gap largely with money it raised for itself, not because Wisconsin received unusually little from the state.

Resident tuition and fees (constant 2024 dollars)

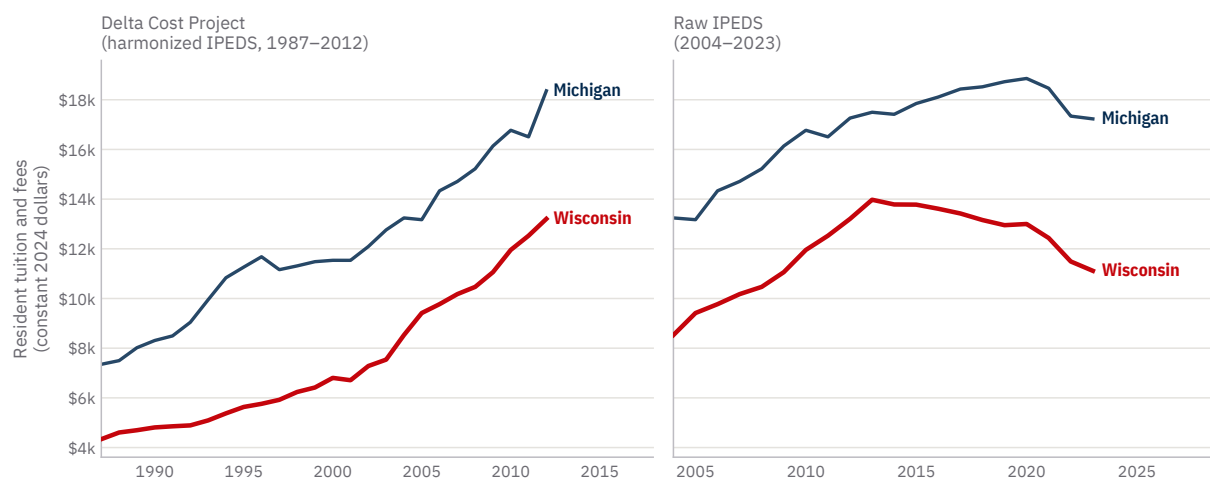


Figure A.1: Michigan charges more; Wisconsin froze. Resident tuition and fees, UW–Madison vs. Michigan–Ann Arbor, constant 2024 dollars. Two sources shown separately, not spliced: Delta Cost Project (harmonized IPEDS, 1987–2012) and raw IPEDS (2004–2023). Sources: Delta Cost Project (NCES); IPEDS (National Center for Education Statistics, 2025).

State appropriations per student (constant 2024 dollars)

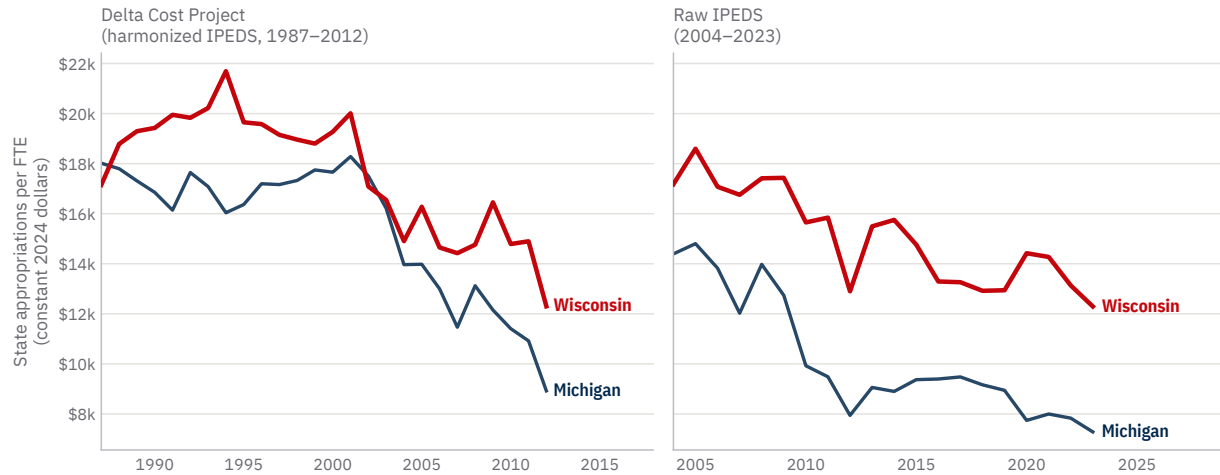


Figure A.2: **Wisconsin gets more state money per student.** State appropriations per FTE, UW–Madison vs. Michigan–Ann Arbor, constant 2024 dollars; Wisconsin above Michigan in all twenty IPEDS years. Two sources shown separately, not spliced. Sources: Delta Cost Project (NCES); IPEDS (National Center for Education Statistics, 2025).

Spendable per student: appropriations + net tuition per FTE (constant 2024 dollars)

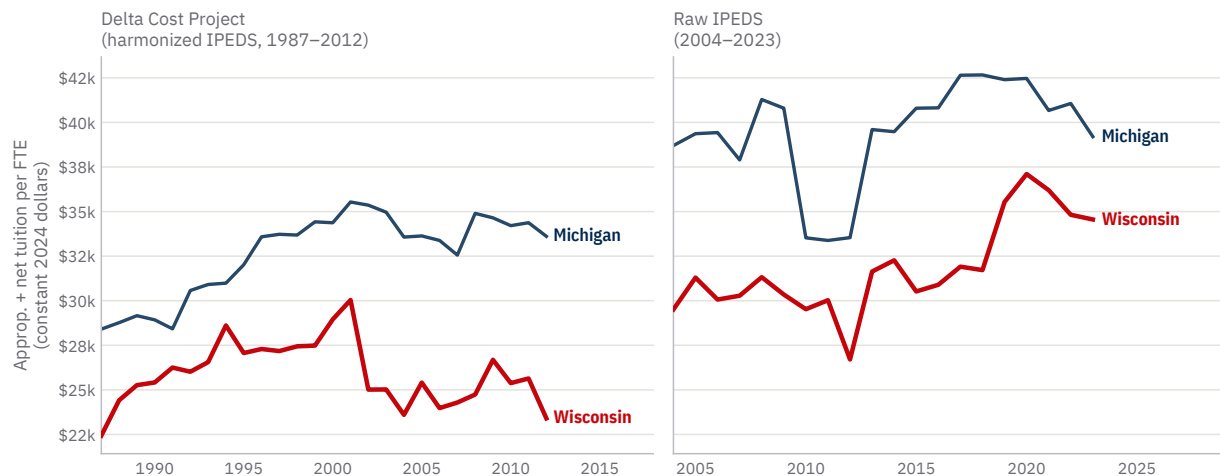


Figure A.3: **Yet Michigan can spend more.** Appropriations plus net tuition revenue per FTE (“spendable per student”), UW–Madison vs. Michigan–Ann Arbor, constant 2024 dollars; Michigan ahead every year because tuition did the compensating. Two sources shown separately, not spliced. Sources: Delta Cost Project (NCES); IPEDS (National Center for Education Statistics, 2025).

Michigan gets less state money per student than Wisconsin

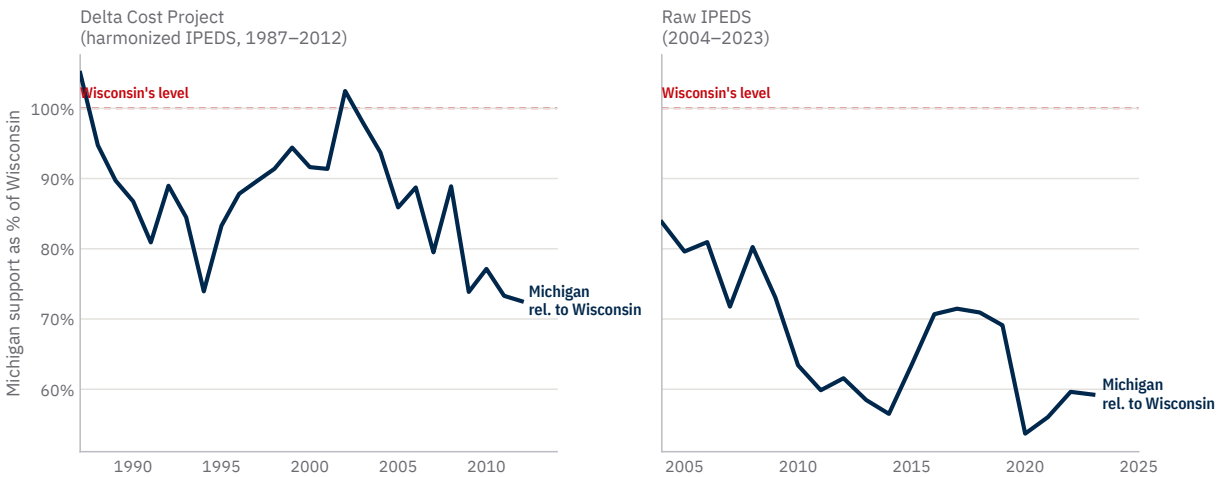


Figure A.4: **Michigan’s state support, relative to Wisconsin’s.** Michigan state appropriations per FTE as a percentage of UW–Madison’s – a ratio, so no price deflator is applied. The share falls from near parity in the late 1980s to roughly 55–60 percent in recent years: Michigan now draws little more than half Wisconsin’s state appropriation per student. Two sources shown separately, not spliced. Sources: Delta Cost Project (NCES); raw IPEDS (NCES, 2025).

Two sources, shown separately. The series draw on two datasets, plotted as separate panels and never spliced into a single line. The Delta Cost Project (harmonized IPEDS, hosted by NCES) spans 1987–2012 and re-derives IPEDS for cross-year comparability, bridging the GASB 34/35 accounting break around FY2002; raw IPEDS, as filed, spans 2004–2023. Their definitions differ – most consequentially, Delta Cost uses fall FTE while the IPEDS panel uses 12-month FTE, which enlarges Michigan’s summer-and-graduate-heavy denominator and lowers its per-student figures – so joining them would fake a continuity that does not exist. The 2004–2012 overlap shows the difference directly. All dollar figures are in constant 2024 dollars (CPI-U); the relative figure is a ratio.

Appendix B. Donors as the other balance sheet

Four times in thirty-five years, Wisconsin needed capital a peer could finance on its own balance sheet, and donors supplied it: the 1990 rebuild, 2007 business-school expansion, 2025 computing building, and 2026 practice facility.

Four times donors supplied the balance sheet

What Wisconsin needed, how peers would finance it, and what Wisconsin used instead.

Year	The need	How a peer finances it	How Wisconsin financed it
1990	Six wins in three seasons; athletics \$2M in debt	Department reserves or university transfer	Donor-backed rebuild after Shalala reallocated resources
2007	Faculty and program capacity for the new wing	Retained tuition finances faculty growth	\$85M Naming Partnership; twenty-year term ending in 2027
2025	Building for the computing college	Century bonds or program-revenue debt	\$267M Morgridge Hall, financed entirely by gifts
2026	Practice facility planned since 2019	Department debt against pledgeable revenue	\$20M Kellner lead gift within a \$100M campaign; most costs financed by program-revenue bonds with statutory debt service

The operating share appears in no row.

Each row concerns capital or capacity. Football's operating share required neither a bond nor a gift, yet generally remained well below the conference median after NIL (Figures 8 and 9).

Exhibit B.1. Donor-financed capital and capacity at Wisconsin. Sources: Inside Higher Ed (2017); The Daily Cardinal (2025); Wisconsin Athletics (2025b); Wisconsin State Journal (2025); 2025 Wisconsin Act 203; Guo and Seshadri (2026a, 2026b).

Appendix C. Sources, definitions, and checks

This appendix records the sources, definitions, and checks behind the paper's main measurements. The construction of the Wisconsin–Michigan resident-tuition, appropriations, and spendable-per-student series is documented in Appendix A alongside its exhibits.

The EADA football shares. The paper's signature pair – football at 24 percent of athletic expenses, the lowest reported share in the Big Ten, against 58 percent of athletic revenue – comes from the U.S. Department of Education's Equity in Athletics Disclosure Act filings for fiscal year 2024, pulled directly from ope.ed.gov/athletics for all eighteen conference programs. Main-text percentages are rounded to whole numbers; appendix calculations retain one decimal place. Football's expense share is Football Total Expenses over Grand Total Expenses; the revenue share is the same ratio on revenue. EADA names each survey by the calendar year its reporting period begins, so the paper's FY2024 (July 2023–June 2024) is EADA "SurveyYear 2023". All comparisons are expense-to-expense across schools, the only basis set identically for every program. The FY2024 vintage is used throughout for consistency with the twenty-year series (Figure 9); FY2025, now published, leaves every core claim intact, with Wisconsin still the conference's lowest reported football expense share (24 then 23 percent) and above the median on revenue in both years.

Coaching-transition sensitivity. Wisconsin's NCAA financial reports record football severance of \$0 in FY2022, \$16.557 million in FY2023, and \$1.017 million in FY2024 (Wisconsin

Athletics, 2023, 2024, 2025a). NCAA and EADA expense categories are not directly comparable. As an illustrative adjustment, removing the FY2023 severance figure from football expenses alone or from both football and total expenses places the implied football share between 21.5 and 23.8 percent, essentially the adjacent-year range. This is a sensitivity check rather than a formal reconciliation, but it shows that the FY2023 spike should not be interpreted as a sustained reallocation toward football.

Stadium debt classification. The football expense shares in Figures 8 and 9 are compared as reported under the Department of Education's common EADA framework. Wisconsin's \$14.6 million annual stadium debt service is not separately classified in those data. Assigning the full amount to Wisconsin football alone would raise its FY2024 share from 24.5 percent to between 30.3 and 32.9 percent, depending on whether the amount is also added to total athletic expenses. That calculation is an aggressive sensitivity bound rather than a like-for-like conference comparison, because equivalent facility debt cannot be consistently reclassified for the other seventeen departments. On the federal data as filed, Wisconsin reports the conference's lowest football expense share.

Hockey sponsorship. Wisconsin's low reported football share is not explained by hockey sponsorship. Among Big Ten departments sponsoring both men's and women's hockey, Wisconsin devoted 24.5 percent of expenses to football, compared with 30.0 percent at Ohio State, 30.9 percent at Penn State, and 32.6 percent at Minnesota.

NIL and revenue-sharing figures. Footnote 1 states the data limitations and the basis for the cited school-level figures. The House-settlement cap, \$20.5 million for 2025–26, is department-wide, and each school sets football's share.

Undergraduate rankings. The 2024 U.S. News methodology overhaul changed the ranking, but the completion and enrollment gains were real either way (Section 4).

Medicine: measurement, convergence, and mechanism.

Ranking instruments. U.S. News stopped assigning ordinal ranks within the Best Hospitals Honor Roll after the 2022–23 edition and retired numbered medical-school research rankings after 2023–24. Figure 6 therefore uses Honor Roll membership for the hospital and BRIMR's annual NIH-funding rank for the medical school. The two measures are not directly commensurate. They are used to compare each Wisconsin enterprise with the same Michigan benchmark over time.

The Honor Roll is a threshold designation. U.S. News did not publish an overall position for hospitals below the cutoff, so absence from the list does not reveal whether a hospital was far below the threshold or narrowly missed it. Its methodology also changed over time. Most notably, the Honor Roll was extensively revised in 2016–17 to reduce the influence of reputation and incorporate performance in common procedures and conditions (RTI International, 2017). Figure 6 should therefore be read as a record of entry into a consequential national tier, not as a continuous measure of hospital quality.

Clinical convergence. NORC’s 1996 Index of Hospital Quality constructed data-driven rankings in twelve specialties. Its structural measures drew on the 1994 American Hospital Association survey, and its mortality component used 1993 and 1994 admissions and deaths. The rankings therefore provide a substantially pre-Authority baseline even though they were published in 1996. Wisconsin placed in the national top 50 in endocrinology, gastroenterology, and geriatrics, three of the twelve specialties. Michigan placed in eleven; its only miss was cardiology, where it ranked 51st (National Opinion Research Center, 1996).

In 2019, Wisconsin and Michigan were each nationally ranked in all twelve data-driven specialties used in that edition. Wisconsin entered the Honor Roll at 17th, while Michigan ranked 11th. The 1996 and 2019 specialty sets and formulas are not identical. The comparison therefore does not treat the count of top-50 appearances as a cardinal quality score. It measures the breadth of nationally recognized clinical strength under each edition’s common rules.

Table C.1: **Clinical convergence exceeded research convergence**

Measure	Year	Wisconsin	Michigan	Gap
Top-50 hospital specialties	1996	3 of 12	11 of 12	8 specialties
Top-50 hospital specialties	2019	12 of 12	12 of 12	0 specialties
Best Hospitals Honor Roll	2019	17th	11th	6 places
Medical-school NIH rank	2001	32nd	13th	19 places
Medical-school NIH rank	2019	28th	10th	18 places
Medical-school NIH rank	2025	24th	10th	14 places

Note: Lower ranks are better. Specialty counts are top-50 placements among the twelve data-driven specialties in each edition. Because the categories and formulas changed, they measure breadth within each edition rather than a constant quality index. The 1996 data largely predate the Authority; BRIMR’s NIH series begins in 2001. The hospital and medical-school measures are not directly comparable. Sources: National Opinion Research Center (1996); Michigan Medicine (2019); University of Wisconsin School of Medicine and Public Health (2019); Blue Ridge Institute for Medical Research (2026).

Mechanism: what the Authority used. The Legislative Audit Bureau’s 2001 evaluation was mixed on early performance but clear on mechanism: the Authority used the powers Chapter 233 supplied.

The audit does not establish that autonomy caused the later convergence, but it does establish the intermediate link: Chapter 233 expanded the hospital’s practical capacity, and the hospital used it.

Table C.2: **The Authority used the powers Chapter 233 created**

Margin	What LAB found
Capital and borrowing	By March 2000, the Authority had issued the full \$106.5 million then allowed and undertaken what LAB called an “aggressive building program,” expanding outpatient, surgical, pediatric, cardiac, and cancer capacity.
External approval	The Authority completed 109 projects on state-owned land in its first four years; 103 fell below the threshold for outside approval. LAB found substantial flexibility for mid-sized projects and projects on Authority-owned property.
Personnel	The Authority gained control of recruitment, supervision, job classification, and collective bargaining. Staffing rose 12.1 percent , from 3,803 to 4,263 FTEs.
Purchasing	LAB found greater contracting flexibility and apparent efficiencies, although the savings could not be cleanly quantified or attributed to restructuring.
Operating scale	From FY1995–96 through FY1999–2000, inpatient admissions rose 5.0 percent and outpatient visits rose 29.2 percent .
Public mission	LAB found that service was maintained. Charity-care dollars were 15.9 percent above the pre-Authority level; medical-education transfers rose from \$13.1 million to \$16.3 million, and related direct spending rose from \$12.7 million to \$14.7 million.
Cautions	Profitability and reserves weakened; nursing recruitment and mandatory overtime remained serious problems. LAB recommended continued legislative scrutiny.

Source: Wisconsin Legislative Audit Bureau (2001), especially pp. 3–7, 25–26, 37–48, and 51–59.