



Funding and Autonomy in Wisconsin Public Higher Education*

A Response to the Wisconsin Technical College System

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

August 27, 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

Wisconsin is not a low-support state for public higher education overall. What stands out is how the money is divided between its two public systems. Throughout this paper, “public support” means state and local operating support—the taxpayer-supported dollars that can be measured on the same basis across states. It does not mean every dollar that flows through a public college or university; tuition, federal research grants, residence-hall revenue, and other funds are different. Our earlier report used national state-finance data published by the State Higher Education Executive Officers Association (SHEEO). On this common measure, in fiscal 2025 Wisconsin ranked seventh-highest in support per full-time-equivalent (FTE) student in its two-year sector, the Wisconsin Technical College System (WTCS), while its four-year sector, the Universities of Wisconsin (UW), ranked forty-third—near the bottom. This paper asks whether that conclusion changes when enrollment or funding is measured differently.

We start by addressing two concerns raised by WTCS about our report.¹ First, WTCS claimed that our two-year enrollment measure counted only “full-time equivalent associate degree students” and therefore left out much of what technical colleges do. This claim is inaccurate. For six consecutive years, Wisconsin’s two-year FTE in the SHEEO data we use has matched WTCS’s own published FTE total exactly. In fiscal 2025, both report 64,451 FTE. WTCS’s two associate-degree categories account for 50,750 FTE. The remaining 13,701 FTE—21.3 percent of the total—comes from other WTCS categories.² The FTE measure we use is therefore not simply the associate-degree subtotal.

Second, WTCS pointed out that its public support is much less when spread across the “293,000 students” it serves. That raises a real question about how enrollment should be measured. What matters more for an interstate comparison, though, is whether enrollment is measured the same way for both sectors in every state. Using a common federal headcount from the Integrated Postsecondary Education Data System (IPEDS), we find that Wisconsin is still near the bottom in its support for the four-year sector relative to the two-year sector.

There are three enrollment measures in this debate. The easiest way to keep them straight is to ask what each one counts.

Enrollment measure	What it measures	What happens to a part-time student?	Available on the same basis across states?
Full-time-equivalent (FTE) enrollment	Course taking on a common full-time scale	Counted in proportion to course load; a half-time annual load is about 0.5 FTE	Yes. Main measure.
IPEDS 12-month headcount	Annual enrollment under a common federal rule	Counts as one enrollee within an institution, full time or part time	Yes. Main alternative.
WTCS systemwide headcount	People enrolled across WTCS instructional categories	Each person counts once across WTCS, even if enrolled in more than one category	No. Comparable systemwide headcounts are not available for both sectors in every state.

FTE is easy to misunderstand because of its name. It does not mean “full-time students only.” FTE converts course taking to a common full-time scale: a student taking half of a full annual course load contributes about one-half FTE, and two such students contribute about one FTE. The federal 12-month headcount uses a different rule: one enrolled student counts as one within an institution, whether full time or part time. WTCS systemwide headcount is broader than the federal measure and counts each person once across WTCS even if that person appears in more than one instructional category. The 2024–25 WTCS systemwide headcount is 293,904.²

The three enrollment measures lead to three dollar figures for WTCS—roughly \$14,100, \$5,500, and \$3,000. These are not rival estimates of one “true” funding level. They put different enrollment counts on the bottom of the fraction. Roughly \$14,100 is public support per FTE. Roughly \$5,500 is public support per federal 12-month headcount. WTCS’s roughly \$3,000 figure divides a similar funding total by its much larger systemwide headcount of 293,904.

The \$3,000 figure does not add back part-time students that FTE missed, because FTE did not miss them. It changes the denominator from course-load-adjusted enrollment to WTCS systemwide headcount. That figure is useful for describing WTCS’s reach. It cannot, by itself, tell us how Wisconsin compares with other states, because we do not have the same kind of systemwide headcount for UW and for both sectors in every comparison state.

That leads to the central rule of the paper: use the same ruler everywhere. If we count WTCS enrollment one way, we must count UW enrollment the same way and then apply that rule to the two-year and four-year sectors in the comparison states. Making only Wisconsin’s two-year denominator larger will automatically lower the resulting support figure. It will not tell us whether Wisconsin is unusual.

The federal 12-month headcount gives us the cleanest national test because the same rule can be applied to both sectors across states. In fiscal 2024 Wisconsin provided about 48 cents of four-year public support per FTE for every \$1 of two-year public support per FTE; the ratio is 0.478. On headcount, that rises to about 92 cents of four-year support per headcount for every \$1 of two-year support per headcount; the ratio is 0.922. That is a large narrowing inside Wisconsin. But the typical state changes too. The median rises from about \$1.06 of four-year support for every \$1 of two-year support on FTE to about \$1.55 on headcount. Wisconsin therefore remains 40.5 percent below the median and fourth-lowest among the 49 states with both public sectors.^{4,5}

WTCS systemwide headcount deserves a separate check because it is central to the objection. We therefore give the broader-activity concern a favorable test: we make an adjustment that lowers Wisconsin’s measured two-year support before rerunning the headcount comparison. Wisconsin then reaches approximate parity between its own two sectors, but still remains well below the national median. Section 2 explains the assumption and the arithmetic.

Enrollment is only half of the calculation; the dollars on top of the fraction have to be comparable too. WTCS compares roughly \$867 million in technical-college public operating support with roughly \$8 billion in the Universities of Wisconsin all-funds operating budget.¹ Those totals are not the same

kind of money. The university total includes tuition, federal research grants, residence-hall and other auxiliary revenue, gifts, and other funds. Our national comparison instead uses the same definition of state and local public operating support for both sectors in every state. We also add tuition to both sectors as a separate check. That narrows Wisconsin's difference, but still does not make its allocation typical.

The first three sections answer one measurement question: where does Wisconsin stand when students and dollars are counted on comparable terms? Section 4 then asks the policy question. The interstate comparison does not tell us the optimal funding ratio or where the next dollar would earn the highest return. It does tell us the relative position from which Wisconsin is making its next budget choice, and that position is relevant evidence rather than a funding formula.

Our recommendation is therefore about direction, not a formula. As future public higher-education support grows, Wisconsin should give greater priority to the Universities of Wisconsin, while continuing to judge programs in both systems on costs, demand, outcomes, institutional priorities, and returns. Section 5 is separate again. It asks whether universities should have a limited ability to borrow directly for projects that can repay their own debt—a form of direct borrowing authority that technical-college districts already possess.

1. What FTE Actually Counts

FTE is easy to misread because of its name. It does not count only full-time students. It converts different course loads to a common full-time scale. A student taking half of a full annual load contributes about one-half FTE; two such students contribute about one FTE. Part-time students are already in the measure.

WTCS nevertheless says our original calculation included only “full-time equivalent associate degree students.”¹ That is a factual claim, and the published totals let us test it directly.

For six consecutive years, Wisconsin’s two-year FTE reported in the SHEEO data we use has been exactly the same as WTCS’s published FTE total. In fiscal 2025, both are 64,451. WTCS’s two associate-degree categories account for only 50,750 FTE.² The other WTCS categories account for 13,701 FTE, or 21.3 percent. Those other categories include technical diplomas and apprenticeship-related instruction; adult and vocational education; non-postsecondary Adult Education and English Language Learning (ELL); and community services. WTCS reports these under the categories Technical Diploma, Vocational-Adult, Non-Postsecondary, and Community Services. Several kinds of activity WTCS says are missing from our FTE measure are therefore already present in the FTE total that we use.

Exhibit 1. SHEEO FTE We Use Matches WTCS’s Published FTE Total, Not the Associate-Degree Subtotal

A. SHEEO and WTCS report the same published FTE total

Fiscal year	SHEEO Wisconsin two-year FTE	WTCS published FTE total
2020	64,314	64,314
2021	58,255	58,255
2022	58,595	58,595
2023	60,011	60,011
2024	61,924	61,924
2025	64,451	64,451

B. The fiscal 2025 systemwide total extends beyond the two associate-degree categories

WTCS fiscal 2025 FTE	FTE
Two associate-degree categories	50,750
Other WTCS categories	13,701
Systemwide total	64,451

Note: SHEEO fiscal 2025 corresponds to WTCS’s 2024–25 reporting year. The “other WTCS categories” line includes Technical Diploma as well as broader WTCS categories; it is not a noncredit subtotal.

The six-year match settles the narrow point. The published SHEEO number is the same as WTCS's published FTE total, not the associate-degree subtotal. The match does not tell us how Wisconsin classified every WTCS category in its underlying SHEEO submission, and we do not claim that it does.

Three ways to count enrollment

FTE measures course load. It is useful when the question is support relative to the amount of instruction delivered. Faculty time, classrooms, laboratories, equipment, and course sections are more closely tied to course load than to the number of people who enroll. FTE is not a complete measure of cost, but it gives students with very different course loads a common scale. Our earlier report used FTE to measure enrollment because comparable data are available for both two-year and four-year sectors in every comparison state.

In addition to FTE, this paper considers two alternative measures of enrollment.

The first is the federal 12-month headcount from the Integrated Postsecondary Education Data System (IPEDS). Like SHEEO FTE, it is collected under a common national rule. Over the year, it counts an enrollee once within an institution whether the student attends full time or part time.⁵ A student taking one course and a student carrying a full load each count as one. Headcount is useful because some costs arise simply because a student is enrolled—registration, advising, information technology, counseling, and other services. Section 2 therefore repeats the comparison using the IPEDS 12-month headcount instead of SHEEO FTE.

The second alternative for WTCS is its systemwide headcount, which goes further and counts people enrolled across WTCS instructional categories. The 2024–25 Fact Book reports 293,904 as the unduplicated total.² In plain English, each person counts once across WTCS even if that person appears in more than one category. The measure is broader than IPEDS 12-month headcount, but “WTCS systemwide headcount” is the label we use throughout the paper.

The difference between headcount and FTE can be huge without either number being wrong. In fiscal 2025, for example, WTCS reports 98,169 people in the Vocational-Adult category but only 1,675 FTE.² Many people in that category take a relatively small amount of instruction. No single measure is right for every purpose.

What the Wisconsin Policy Forum calculation shows—and what it does not

WTCS attributes its associate-degree-only description to the Wisconsin Policy Forum (WPF). But WPF made a different calculation. For an illustration, the Forum replaced Wisconsin's federal 12-month headcount with a larger WTCS count. That made technical-college spending per headcount look much closer to typical national levels.³

The limitation is that WPF could make that change only for Wisconsin. The Forum said the data did not allow it to calculate a revised WTCS FTE and did not show how many comparable students were missing from the federal data in other states.³ So the exercise tells us what happens when

Wisconsin's denominator changes. It does not tell us where Wisconsin ranks when the same broader denominator is used everywhere.

WPF also did not show that Wisconsin's SHEEO FTE was limited to associate-degree enrollment. The published totals answer that question separately: 64,451 FTE in SHEEO, 64,451 in WTCS's published FTE total, and 50,750 FTE in the two associate-degree categories.

\$14,100, \$5,500, and \$3,000 answer different questions

Any figure like these is simply a funding total divided by an enrollment measure. Here and throughout the paper, "public support" means comparable state and local operating support; Section 3 explains the funding measure in detail. If the funding total is about the same but the enrollment measure produces a much larger denominator, the resulting figure will be much smaller.

That is what produces the three Wisconsin figures. For fiscal 2024, roughly \$872 million in adjusted two-year public support divided by 61,924 FTE is about \$14,100 per FTE. Divide the same support total by 159,698 federal 12-month headcount and the result is about \$5,500. WTCS starts with roughly \$867 million in public support and divides by its systemwide headcount of 293,904, producing about \$3,000. The large change is the number on the bottom of the fraction.

The \$3,000 figure therefore does not fix a problem in which part-time students were left out of FTE. They were not left out. It answers a different question: how much public support is there relative to WTCS systemwide headcount?

That is useful for describing WTCS's reach. But to compare Wisconsin with other states, we need the same kind of enrollment count for WTCS, UW, and the two sectors elsewhere. Section 2 uses the federal 12-month headcount because it gives us a common rule that can actually be applied across states.

2. What Happens When We Use Headcount Instead of FTE?

WTCS's concern about part-time enrollment suggests the obvious alternative: replace FTE with headcount. The crucial point is that we must make that change everywhere—not only for Wisconsin technical colleges, but also for UW and for both sectors in every comparison state.

Otherwise we are changing the yardstick only for Wisconsin. A larger Wisconsin headcount will always lower Wisconsin's two-year dollars-per-headcount figure. The real question is what happens when the same change is made to Wisconsin and to the national benchmark.

The main headcount test

We change one thing at a time. The funding measure stays the same; only enrollment changes from FTE to IPEDS 12-month headcount. Because the matched IPEDS data cover 2023–24, we pair them with fiscal 2024 SHEEO funding. For each state, we add the headcounts of the public institutions classified as two-year or four-year.

IPEDS has one important limitation: it counts a student once within an institution, but a student attending two institutions can appear in both counts. The state totals are therefore not counts of

unique people statewide.⁵ For this paper, the advantage is consistency: the same rule is used for both sectors in every state.

We summarize the comparison with a ratio: four-year public support divided by two-year public support, using the same enrollment measure on both sides. A ratio of 1.0 means equal support under that measure in the two sectors. Below 1.0 means less four-year support; above 1.0 means more. The next paragraphs translate those ratios into cents or dollars for every \$1 of two-year support.

On FTE in fiscal 2024, Wisconsin's ratio is 0.478: about 48 cents of four-year public support per FTE for every \$1 of two-year public support per FTE. The median state is 1.056, or about \$1.06 for every \$1.

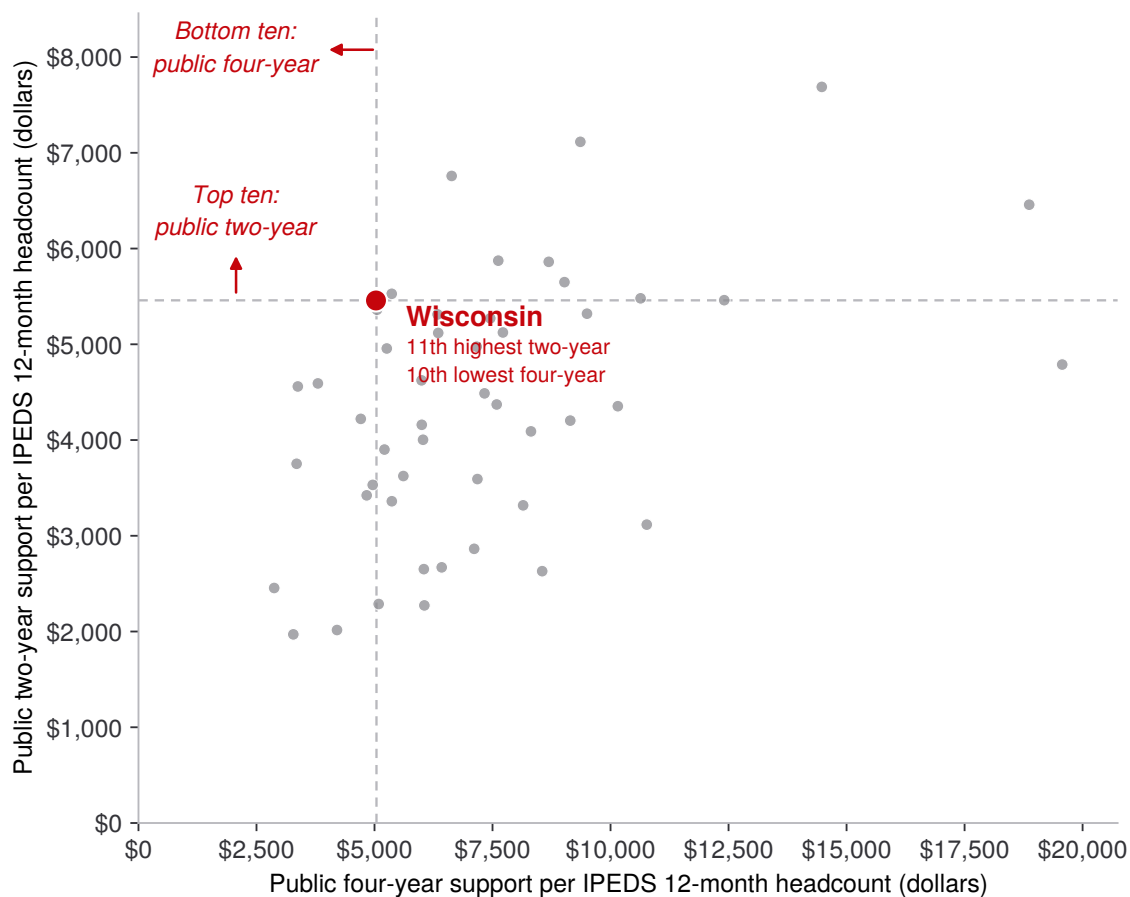
On headcount, Wisconsin's ratio rises to 0.922: about 92 cents of four-year support per headcount for every \$1 of two-year support. So yes—using headcount makes the two Wisconsin systems look much closer together.

But it also changes the comparison states. On headcount, the median state rises to 1.548, or about \$1.55 of four-year support for every \$1 of two-year support. Wisconsin is still 40.5 percent below the median and fourth-lowest among the 49 states with both public sectors. Headcount explains much of the gap inside Wisconsin; it does not explain Wisconsin's unusual position relative to other states.

Looking at the two sides separately leads to the same conclusion. On headcount, Wisconsin ranks eleventh-highest in two-year public support and tenth-lowest in four-year public support. Wisconsin's low ratio therefore reflects both relatively high two-year support and relatively low four-year support.

Exhibit 2. On a Headcount Basis, Wisconsin Combines Relatively High Two-Year Support with Relatively Low Four-Year Support

Each point is a state with both public two-year and public four-year sectors. Public support is fiscal 2024 SHEEO education appropriations. Enrollment is the sum of each institution's IPEDS 2023–24 12-month headcount. The horizontal axis is public four-year support per IPEDS 12-month headcount, in dollars; the vertical axis is public two-year support on the same basis. The dashed lines mark the top-ten two-year and bottom-ten four-year thresholds. IPEDS headcount is unduplicated within an institution, not across institutions statewide.



What the 293,904 WTCS systemwide headcount tells us

WTCS systemwide headcount is 293,904, compared with 159,698 in the federal 12-month headcount used in the national postsecondary comparison. The two totals differ arithmetically by roughly 134,000. That difference is not a count of identifiable additional students. The two measures use different counting rules and cover different activity. In particular, the difference should not be labeled “noncredit students.”

The 293,904 figure tells us something real: WTCS reaches a very large number of people. It also explains why WTCS gets a much lower dollars-per-headcount figure. With roughly the same funding

total and a much larger count, dollars per headcount must fall. That arithmetic alone says nothing about how Wisconsin compares with other states.

Why can't we simply use 293,904 in the national comparison? Some of the broader activity in WTCS systemwide headcount includes noncredit and short-duration instruction, but the roughly 134,000 arithmetic difference is not itself a clean noncredit count. Across states, noncredit and short-duration activity is common but is defined, funded, and reported differently. National evidence shows that the activity is large; it does not provide one standardized systemwide headcount that works everywhere.^{7,8,9,10}

We would also have to treat four-year universities the same way. They also provide continuing education, professional education, extension, and other noncredit activity. We do not add that activity to UW's denominator because it is not reported on the same basis as WTCS systemwide headcount, and its funding cannot be matched cleanly to the same public-support total.¹¹

If we use WTCS systemwide headcount, we would need a comparable systemwide headcount for UW. Then we would need the same kind of systemwide headcount for both sectors in every comparison state. Without those data, changing only Wisconsin produces a new Wisconsin number, not a new national ranking.

Older Wisconsin data show why broad headcounts are hard to compare. In 1999–2000, Wisconsin reported 264,320 noncredit enrollments, but those enrollments generated only 4,225 FTE.¹² Later research showed that a similar number of noncredit enrollments in Iowa generated much more FTE.¹¹ Two states can therefore report similar numbers of participants even when the amount of instruction behind those counts is very different.

This does not imply that short courses matter less. A short training course can be extremely valuable. It means only that one person in a broad headcount is not a standardized amount of education.

A favorable check for broader WTCS activity

FTE already captures broader WTCS activity when that activity is included in WTCS's published FTE total. In fiscal 2024, three broader categories—adult and vocational education, non-postsecondary adult education/ELL, and community services—account for 6,074 FTE, or 9.8 percent of the total. WTCS labels these categories Vocational-Adult, Non-Postsecondary, and Community Services.^{2,13}

The remaining uncertainty is on the funding side. The public data do not show exactly how much public operating support pays for those three categories. If some of the funding total supports activity that is not represented in the matched federal headcount, then our headcount calculation could make two-year support per headcount look too high.

We therefore run a check that gives this concern the benefit of the doubt. For this check, we assume that those activities receive the same share of funding as their share of WTCS FTE. So we remove 9.8 percent of Wisconsin's two-year public support before dividing by federal headcount. We make no similar adjustment that would improve any other state's result.

Under that assumption, Wisconsin's two-year support per headcount falls because we have removed some two-year funding from the calculation. Since the ratio puts two-year support in the denominator, lowering the two-year number makes the four-year-to-two-year ratio rise—from 0.922 to 1.022, or about \$1.02 of four-year support for every \$1 of two-year support. That is approximate parity inside Wisconsin. But the national median is still 1.548, or about \$1.55 for every \$1. Wisconsin remains about 34 percent below the median and eighth-lowest among 49 states. This is a deliberately favorable check, not an estimate of how those broader WTCS activities are actually funded.

Other checks: do different institution classifications matter?

Different national data systems do not always put the same institution in the same two-year or four-year category. We therefore repeat the headcount comparison using only the states where the federal and SHEEO classifications line up most closely.

This stricter comparison has 40 states. Wisconsin stays in because its remaining classification difference can be traced directly using the WTCS institution list and published FTE. The technical matching rule is set out in Appendix B; here we are simply rerunning the analysis on the states where the classifications line up most cleanly.

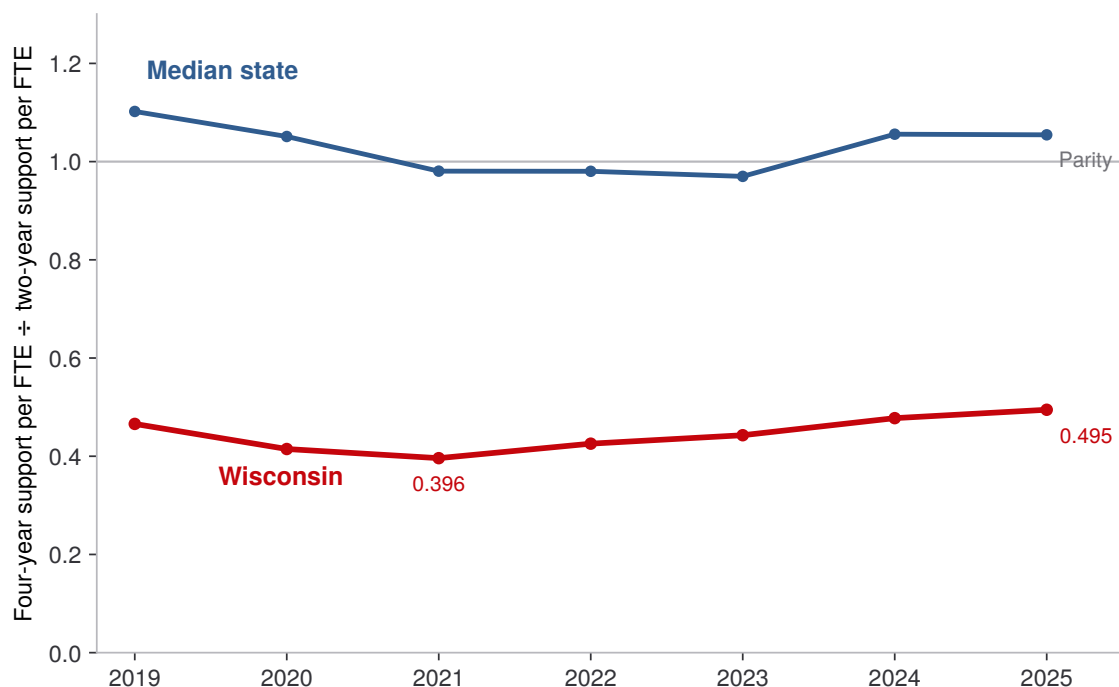
The result barely changes. Wisconsin's ratio is still 0.922. The median is 1.506, and Wisconsin remains 38.8 percent below it and third-lowest among the 40 states. Institution labels are not driving the headcount result.

Does the pattern persist over time?

Yes. On the FTE measure, Wisconsin has had the second- or third-lowest four-year-to-two-year public-support ratio in every year of the seven-year SHEEO series. The ratio rose from 0.396 in fiscal 2021 to 0.495 in fiscal 2025. Fiscal 2025 is the least unusual year in the series, but Wisconsin is still third-lowest nationally.

Exhibit 3. Wisconsin's Four-Year-to-Two-Year Support Ratio Has Remained Near the Bottom Nationally Since 2019

Four-year public support per FTE divided by two-year public support per FTE, fiscal 2019–2025. The comparison line is the median state. A value of 1.0 means equal support per FTE in the two sectors. The universe is the 49 states with both sectors.



Wisconsin is not low-support overall either. Combining the two systems, the state ranks twenty-fourth in public support per resident and thirty-second per FTE. The unusual feature is not the total amount; it is the split between the two sectors.

Do program costs explain the result?

Wisconsin technical colleges also offer a different mix of programs from many two-year institutions elsewhere. The system is unusually occupational: 96 percent of its credentials below the bachelor's level are in career and technical fields.⁶ Nursing, advanced manufacturing, and other hands-on programs can cost more to provide than general academic instruction.

The original analysis checked this in two ways. First, it compared Wisconsin with states whose two-year sectors have similarly occupational missions. Second, it asked what each state's program mix would cost if every state faced the same relative instructional costs. On that common scale, Wisconsin's mix is about 9 percent more expensive than the national mix.¹⁹ Allowing for that difference moves Wisconsin's two-year support ranking from seventh to tenth.

So program mix explains part of Wisconsin's relatively high two-year spending. It does not explain the larger two-year/four-year funding pattern.

The enrollment measure changes the size of Wisconsin's within-state gap and can change its exact rank. It does not change the interstate conclusion: when Wisconsin and the comparison states are measured by the same rule, Wisconsin's allocation remains unusual.

3. The Dollars Have to Be Comparable Too

So far, the paper has focused on the bottom of the fraction: how enrollment is counted. Now we turn to the top: which dollars are counted. We cannot compare a narrow public-support number for technical colleges with an all-funds university budget and treat the two totals as the same thing.

WTCS compares roughly \$867 million in technical-college public operating support with roughly \$8 billion in the Universities of Wisconsin all-funds operating budget.¹ Both are real numbers, but they cover different kinds of money.

The roughly \$867 million is state and local public operating support. The roughly \$8 billion university total includes that kind of support but also tuition, federal research grants, residence-hall and other auxiliary revenue, gifts, and other funds. In 2024–25, state general-purpose revenue accounted for 17.3 percent of the UW budget, while federal grants and contracts accounted for another \$1.6 billion, or 20.2 percent.¹⁴

Federal research grants and residence-hall payments are part of the university budget, but neither is Wisconsin state or local public operating support. If the question is how much public support Wisconsin provides to each sector, we have to count the same kind of dollars on both sides.

Our national comparison therefore uses SHEEO's Education Appropriations measure: a common measure of state and local public support for education in both sectors. SHEEO leaves research, agriculture, and medical funding out of this measure.⁴ Those rules apply to both sides of the comparison.

What if we add tuition?

Universities collect more tuition than technical colleges, so it is reasonable to ask whether adding tuition changes the result. We answer that the same way we answered the headcount question: make the same change for both sectors in every state. SHEEO calls the broader funding measure, which adds net tuition and fees, Total Education Revenue.

Tuition narrows Wisconsin's two-year/four-year difference. It does not make Wisconsin's allocation typical.

Exhibit 4. Including Tuition Narrows the Difference but Leaves Wisconsin Near the Bottom Nationally

Ratio = four-year Total Education Revenue per FTE divided by two-year Total Education Revenue per FTE. The two rank columns are shown for transparency because temporary federal stimulus funds affect the exact published rank in one year; they do not change the conclusion.

Fiscal year	Wisconsin ratio	Median state	Rank from lowest, stimulus excluded	Rank from lowest, published
2019	0.987	1.657	1st	1st
2020	0.919	1.662	1st	1st
2021	0.877	1.552	1st	1st
2022	0.921	1.515	1st	1st
2023	0.980	1.470	1st	1st
2024	1.036	1.578	1st	1st
2025	1.079	1.577	1st	3rd

Using the consistent series shown in the table, Wisconsin has the lowest four-year-to-two-year Total Education Revenue ratio in all seven years. In SHEEO's published series, Wisconsin is lowest in six of seven years and third-lowest in fiscal 2025. In 2025, Wisconsin's ratio is 1.079—about \$1.08 of four-year revenue per FTE for every \$1 of two-year revenue. The median state is 1.577, or about \$1.58 for every \$1.

So adding tuition does what headcount did: it makes the two Wisconsin sectors look closer together, but it also changes the national benchmark. After both sides are measured the same way, Wisconsin remains near the bottom.

What about the decline in general state aid?

WTCS also notes that general state aid is lower today than it was in 2010. That is accurate, but general aid is only one part of state support for technical colleges, and it is no longer the largest part.

Under 2013 Act 145, roughly \$406 million of technical-college operating levy revenue was replaced with state-funded property-tax-relief aid beginning in 2014–15.¹³ That appropriation later rose to \$449 million.

In fiscal 2025, general aid was \$109.6 million and property-tax-relief aid was \$449 million. Across the 2023–25 biennium, \$898 million, or 76.8 percent, of direct state aid to the districts came through the property-tax-relief line.¹³ In practical terms, Act 145 shifted a large share of technical-college public support from locally raised property taxes to state-funded property-tax relief. Looking only at general aid therefore misses most of that change.

The first three sections come back to one rule: compare like with like. We can count enrollment by FTE or by a common headcount. We can count funding narrowly or add tuition. The exact Wisconsin gap changes. But when the same definition is used for WTCS, UW, and the comparison states, Wisconsin still stands out in how it divides public higher-education support.

4. What Should Matter for the Next Dollar?

Sections 1 through 3 establish Wisconsin's relative funding position, not an economically optimal funding ratio or the return to the next dollar. Wisconsin's allocation is unusual relative to other states; that tells us where the state begins, not where it must end.

An interstate outlier is not proof that Wisconsin's allocation is wrong. But a persistent outlier is a reason not to assume the current split is right simply because it is the current split. If Wisconsin continues roughly the same pattern as new resources are added, there should be Wisconsin-specific evidence for doing so. The interstate comparison does tell us that Wisconsin enters its next budget decision with UW in an unusually low public-funding position relative to the technical-college sector.

If Wisconsin keeps adding resources in roughly the same relative pattern, it will preserve that unusual allocation and leave comparatively fewer public resources for functions concentrated in the university system: undergraduate education, graduate and professional training, research, innovation, and entrepreneurship. That does not prove that every additional UW dollar has the higher return. It explains why the existing split should not be continued by inertia alone.

WTCS points to strong graduate employment, employer satisfaction, program waitlists, and a reported 93 percent in-state employment rate among employed graduate respondents who reported an employment location.¹⁷ Those are genuine strengths and useful evidence for decisions about particular programs.

A waitlist is evidence about a program. It is not a funding formula for a sector. A persistent sonography waitlist may make a strong case for expanding sonography. It does not tell us, by itself, that the next statewide higher-education dollar should go to the technical-college sector rather than the university sector. Program allocation and sector allocation are different decisions.

Retention is useful evidence too. Where graduates work matters, but no single short-run retention measure captures the full value of either system.

A six-month employment measure captures one important outcome. University graduates also enter medical residencies, doctoral and professional programs, research positions, and national labor markets in which the return to education unfolds over decades. Some leave Wisconsin and return later. A graduate who leaves the state for advanced training is not evidence that Wisconsin's investment in that student failed.

Immediate placement statistics also miss functions concentrated in universities: graduate and professional education, research, innovation, technology development, and entrepreneurship. Research can contribute to patents, startups, firm entry, employment, and wages.¹⁸ Those returns are real even when they do not appear in a six-month placement statistic. A funding strategy focused too narrowly on current vacancies can also underweight the education, research capacity, and adaptability needed for future technological and industrial change.

Universities also preserve access to opportunities whose value is hard to know in advance. For students from rural Wisconsin or families without the means to buy those opportunities elsewhere,

access to strong teaching, laboratories, research, and professional education can determine whether those paths are available at all.

Program returns vary within each system. Wisconsin can give the university sector greater priority in overall funding growth while still expanding a high-value technical-college program with strong demand. Program-level evidence should inform sector funding, but it does not settle it.

For those reasons, Wisconsin should give UW greater priority as future public support grows. We are not claiming that every additional dollar should go to UW. Even under headcount—the measure that most directly narrows the Wisconsin difference—the state remains fourth-lowest among the 49 states with both public sectors.

The two systems are complements. Wisconsin needs technical colleges that work closely with employers and provide applied training, and it needs universities that provide undergraduate, graduate, professional, and research capacity. That complementarity does not eliminate budget tradeoffs; the state still has to decide how to divide each additional dollar.

Our recommendation is to rebalance future growth in public higher-education support toward the Universities of Wisconsin. That need not require cutting existing technical-college appropriations. The size and duration of the shift should depend on fiscal conditions and program-level evidence, not on a mechanical parity or ranking target.

Within each system, new resources should continue to follow evidence on demand, costs, outcomes, institutional priorities, and returns. A high-return technical-college program should not be denied resources because its sector is relatively well supported, and a weak university program should not receive money merely because the four-year sector occupies an unusually low relative funding position.

5. A Separate Issue: University Fiscal Autonomy

The funding allocation and university fiscal autonomy are separate questions; neither finding is evidence for the other. Wisconsin's technical-college districts and public universities do not have the same financial tools. Technical-college districts can levy local property taxes and borrow directly, subject to statutory limits and review.¹⁶ The Universities of Wisconsin can set tuition within their legal authority and generate program revenue, but they cannot borrow directly in the same way for self-supporting investments.

Moraine Park Technical College's response to our earlier report emphasizes "local control over programs, partnerships and investments" as one reason technical colleges can respond quickly to employers.¹ We agree that local flexibility can improve responsiveness. The same principle matters when a university has a project that can pay for itself.

The systems' different missions explain some of this difference in financial authority. Technical-college districts are organized around local communities and employers, while the Universities of Wisconsin serve statewide constituencies. That helps explain why technical colleges have local

taxing authority. It does not, by itself, explain why a university project that can repay its own debt from project or program revenues must remain entirely inside the state borrowing process.

Decision	Technical-college district	University campus / Board of Regents
Levy a local property tax	Yes	No
Issue debt directly for capital projects	Yes, subject to statutory limits and review	No; borrowing is state-issued
Put certain larger borrowing before local voters	Yes	No comparable route

University campuses have no local taxing authority and no comparable independent route to issue their own capital debt. Even a UW project that can be repaid from its own program revenues must remain inside the state borrowing and capital process.^{14,16}

The difference is visible in La Crosse. Western Technical College put a \$79.8 million facilities plan before local voters in 2012.¹⁵ UW–La Crosse’s science building, by contrast, went through seven years and four state budgets before approval, while its estimated cost roughly doubled, to about \$194 million. The projects differ in scale and purpose. The comparison does not establish that direct university borrowing would have prevented the UW–La Crosse delay; it illustrates the very different decision routes available to the two systems.

If Wisconsin expects universities to finance more projects that can repay their own borrowing, lawmakers should give the Board of Regents authority to issue what are legally called non-state-obligation revenue bonds for those projects. In plain English, the project or program would repay the debt from its own revenues; the state would not promise to repay it from general tax revenues. The authority should be subject to disclosure and public reporting.

That kind of borrowing would also impose discipline. A project would have to show that its own revenues are sufficient to repay the debt. A viable self-supporting project would no longer depend entirely on where it falls in the state capital process; a project without credible revenue would not qualify.

The case for this authority does not depend on the four-year-to-two-year funding ratio. It asks a narrower question: whether universities with reliable project revenues should have a direct way to finance projects that can repay themselves.

Conclusion

FTE is not a count of full-time students, and Wisconsin’s published FTE is not limited to associate-degree enrollment. For six consecutive years, SHEEO’s Wisconsin two-year FTE has matched WTCS’s published FTE total exactly. Part-time students are already included in proportion to course load.

Headcount asks a different question. In fiscal 2024, replacing FTE with federal 12-month headcount for both sectors in every state moves Wisconsin's two systems much closer together. But the national benchmark moves too. Wisconsin remains 40.5 percent below the median and fourth-lowest among the 49 states with both public sectors.

The 293,904 figure shows WTCS's broad reach, but it is a different measure from federal 12-month headcount and cannot simply replace the national denominator because comparable systemwide headcounts are not available for UW and for both sectors in every state.

Comparable enrollment counts are only half of the problem. The dollars must be comparable too. Technical-college public operating support cannot be compared directly with the Universities of Wisconsin all-funds budget. When we use the same public-support measure for both sectors—and when we separately add tuition to both sectors—Wisconsin still stands out in how it divides higher-education resources.

These findings do not imply that Wisconsin should chase a particular ratio. They establish the relative position from which the state is making its next budget choice. Employment, retention, employer satisfaction, waitlists, costs, and program returns all matter. So do undergraduate opportunity, graduate and professional education, research, innovation, and entrepreneurship.

Our recommendation is to give the Universities of Wisconsin greater priority as future public higher-education support grows, while continuing to judge programs in both systems on their own merits. Separately, if Wisconsin expects universities to finance more projects that can repay their own debt, the Board of Regents should have a limited direct financing tool for those projects.

Source notes

1. Wisconsin Technical College System presidents' joint statement, "Yes, Wisconsin Loves Its Technical Colleges. And for Good Reason," August 21, 2026. The local-control quotations in Section 5 are from Moraine Park Technical College's district version of that statement, published the same day under the same title, which adds district-specific material attributed to Moraine Park's president.
2. WTCS Student Data Fact Book 2024–25: systemwide FTE trend, enrollment by instructional category, headcounts, and the unduplicated system total (Exhibit 1). Fiscal 2025 figures are used for the systemwide and associate-degree reconciliation; fiscal 2024 figures are used for the headcount reconciliation and the 9.8 percent sensitivity test.
3. Wisconsin Policy Forum, *Understanding Technical College Funding in Wisconsin*, Focus No. 2, January 2024. The Forum compared a 2021 IPEDS headcount of 143,246 with a broader WTCS count of 248,534 and reported that using the broader Wisconsin denominator would reduce average WTCS spending per headcount to \$3,121, which it described as much closer to typical national levels. The Forum also stated that "the data are not available to calculate a revised figure for WTCS spending per degree-seeking or FTE student" and that "it's not possible to know how many other community college students nationally are missing from the IPEDS data." The Wisconsin illustration therefore changes Wisconsin's headcount denominator without constructing analogous broader denominators for the comparison states. It is a useful Wisconsin-specific sensitivity, but it is not a symmetric revised interstate comparison and cannot establish Wisconsin's position under a common broader enrollment measure. The Forum also did not establish the claim later attributed to it by WTCS: that the SHEEO FTE used by CROWE included only associate-degree students.
4. SHEEO, State Higher Education Finance FY2025 sector data: education appropriations, Total Education Revenue, net FTE, and the cost-of-living adjustment used for the paper's principal fiscal 2025 comparisons; SHEEO FY2024 sector data and data-provider definitions for the year-aligned headcount test, the separate noncredit-appropriations field, and FTE reporting conventions. Adjusted dollars are expressed in constant fiscal-2025 terms.
5. IPEDS 2023–24 12-Month Enrollment and the IPEDS institutional directory, for the headcount test and the institution-level sector classification. The headcount variable is unduplicated within an institution over the year, not across institutions, so the state totals used here are sums of institutional counts rather than statewide counts of distinct persons.
6. NCES completions data, sub-baccalaureate awards by field: the share of Wisconsin's sub-baccalaureate credentials awarded in career and technical fields. CROWE's August 20 report is the secondary reference.
7. American Association of Community Colleges, *Fast Facts 2026*: about 4.1 million noncredit enrollments, cited for the national scale of noncredit activity only, not as a harmonized interstate denominator.
8. D'Amico, Mark M., Gregory B. Morgan, Stephen G. Katsinas, Jeffrey L. Adair, and Michael T. Miller (2017), "A National Analysis of Noncredit Community College Education: Enrollment, Funding, Accountability, and Contextual Issues," *Community College Journal of Research and Practice* 41(4–5): 288–302, on the long-standing national problem of inconsistent noncredit definitions, funding arrangements, and state reporting; and D'Amico, Mark M., and Michelle Van Noy (2025), "Workforce Pell for Community College Noncredit Education: How Well Positioned Is the State Noncredit Data Infrastructure?" *Community College Journal of Research and Practice*, advance online publication, confirming that noncredit data remain unstandardized and are not comprehensively captured in federal reporting.
9. Federal Reserve Bank of Richmond, Community College Initiative, Survey of Community College Outcomes: "First Look: The 2024 Survey of Community College Outcomes" (November 2024) and "Measuring Success: Results from the 2025 Survey of Community College Outcomes" (February 2026): independent evidence that there is no federal collection of noncredit student counts and that cross-state coverage and data quality vary.
10. Dziesinski, Amberly, and Eunji You (2024), *Funding Models for Community Colleges: How States Fund Credit-Bearing, Dual-Enrollment, and Noncredit Activity*, Student Success Through Applied Research (SSTAR) Lab, University of Wisconsin–Madison, in collaboration with the Association of Community College Trustees: on variation in state noncredit funding policies and the use of contact-hour and FTE conversions.

11. Romano, Richard M., and Mark M. D'Amico (2021), "How Noncredit Enrollments Distort Community College IPEDS Data: An Eight-State Study," *The AIR Professional File*, Article 155: the potential mismatch between finance and enrollment measures when noncredit activity is reported inconsistently; the Wisconsin-Iowa comparison, in which a Wisconsin noncredit headcount of 264,320 yielded 4,225 FTE while a similar Iowa enrollment of 248,440 yielded 12,636 FTE; and the difficulty of constructing a symmetric national noncredit adjustment when comparable four-year measures are sparse and inconsistently defined. The authors explicitly note that a proper sector comparison would require analogous treatment of four-year noncredit activity, but that available data were insufficient to make that adjustment consistently.
12. Grubb, W. Norton, Norena Badway, and Denise Bell (2003), "Community Colleges and the Equity Agenda: The Potential of Noncredit Education," *The ANNALS of the American Academy of Political and Social Science* 586: 218–240, for the historical Wisconsin illustration: 264,320 noncredit enrollments in 1999–2000, 58 percent of reported headcount, generating 4,225 FTE, or 7.3 percent of total FTE. The 264,320 and 4,225 figures are independently reported from Grubb et al. by Romano and D'Amico (2021); the two percentage figures are drawn from Grubb et al. directly.
13. Wisconsin Legislative Fiscal Bureau, Informational Paper 36: WTCS FTE conventions, district figures, general aid, property-tax-relief aid, and the 2013 Act 145 levy replacement.
14. Wisconsin Legislative Fiscal Bureau, Informational Paper 37: the Universities of Wisconsin all-funds budget composition and capital-finance structure.
15. Western Technical College's 2012 facilities referendum, and the UW–La Crosse science-building timeline and cost, as documented in CROWE's August 20 report.
16. Wisconsin Statutes on technical-college district taxing and borrowing authority and on university capital and debt authority, including ss. 38.15, 38.16, 38.04(10), 67.12(12), and ch. 36. Technical-college district borrowing can include general-obligation promissory notes issued directly by the district for capital purposes; the table therefore describes the relevant distinction as authority to issue capital debt directly rather than as authority specifically to issue revenue bonds.
17. WTCS Student Data Fact Book 2024–25, page 13, "Graduate Follow-Up" table, 2023–24 row: of graduates responding who were employed and reported an employment location, 93 percent were employed in Wisconsin. The figure is a share of survey respondents reporting a location, not of all graduates.
18. Naomi Hausman (2022), "University Innovation and Local Economic Growth," *The Review of Economics and Statistics* 104(4): 718–735. The paper provides evidence that university-linked innovation can spill over into employment, wages, firm entry, and corporate innovation in nearby related industries, with stronger effects where federal research funding is greater.
19. CROWE, *Wisconsin's Love Affair with Its Technical Colleges: Seventh and Forty-Third*, August 20, 2026: the original mission matching and common-cost repricing.
20. Universities of Wisconsin continuing-education reporting: *Facts & Trends*, August 2024, Continuing Education table (265,063 continuing-education enrollments across 5,250 offerings in 2022–23), and the *Strategic Plan Progress Report* (a 2023–24 measure labeled 320,188 "non-credit students served," excluding UW–Madison's Division of Extension). Retained for audit purposes as historical corroboration that broad continuing-education activity also exists in the four-year sector. The public reporting indicates these are enrollment or participation measures rather than unduplicated counts of individuals; they are not used as a denominator anywhere in this paper and do not appear in the main text.

Technical Appendix

A. Wisconsin FTE reporting and the IPEDS bridge

SHEEO's data-provider instructions tell states to exclude noncredit or non-degree enrollment from net FTE and to report noncredit appropriations separately. Wisconsin's published SHEEO and WTCS figures do not line up cleanly with that stated boundary. For six consecutive years, fiscal 2020 through fiscal 2025, SHEEO's Wisconsin two-year FTE equals WTCS's published FTE total exactly. In fiscal 2024 both equal 61,924. The repeated exact match establishes that the published SHEEO FTE equals WTCS's published FTE total. It does not reveal how individual WTCS categories were treated in Wisconsin's underlying SHEEO submission.

The fiscal 2024 WTCS total can be bridged to the IPEDS annual-FTE total for the same sixteen colleges as follows:

FY2024 reconciliation	FTE
WTCS published FTE total = SHEEO Wisconsin two-year FTE	61,924
less Vocational-Adult	-1,723
less Non-Postsecondary	-4,264
less Community Services	-87
WTCS postsecondary subtotal	55,850
remaining unresolved difference	-2,193
IPEDS annual FTE, same 16 colleges	53,657

The three broader categories account for $1,723 + 4,264 + 87 = 6,074$ FTE, or 9.8 percent of the published WTCS FTE total, and 73 percent of the WTCS–IPEDS gap. The share is independently published: Legislative Fiscal Bureau Informational Paper 36 reports Wisconsin's 2023–24 technical-college FTE as 55,850 postsecondary and 6,074 continuing education, or 9.8 percent, out of 61,924—the same totals the WTCS Student Data Fact Book produces from its six instructional categories. The share used in the sensitivity below is therefore a published figure, not a construction of this paper. The remaining 2,193 FTE is 3.9 percent of the WTCS postsecondary subtotal. WTCS includes apprenticeship-related instruction and short-term technical diplomas within its Technical Diploma category but does not publish separate FTE for those components; they are a plausible source of the residual, but the published data do not permit the residual to be assigned. We therefore leave it unresolved.

The dollar base. SHEEO figures in this paper are expressed in constant fiscal-2025 dollars and adjusted for interstate cost-of-living differences. Wisconsin's fiscal 2024 two-year education appropriations are \$848.9 million nominal. SHEEO's adjustment applies HECA multiplicatively and COLI as a divisor: nominal dollars $\times$ HECA $\div$ COLI. Using the underlying unrounded dollar value, with HECA = 0.968925 and COLI = 0.943769, gives \$871.6 million adjusted, rounded to \$872 million in Section 1. These scalars are common to both sectors within a state and therefore cancel exactly

from each state's four-year-to-two-year ratio. They affect reported dollar levels and the interstate ranking of sector-specific support, but not the interstate ranking of the ratios.

On the four-year side, the reconciliation is much tighter. IPEDS annual FTE is 140,268; removing the 1,121 medical FTE that SHEEO excludes leaves 139,147, compared with SHEEO's 137,493, a difference of about 1.2 percent.

B. Matching institutions and sector classifications across SHEEO and IPEDS

The headcount test uses fiscal 2024 SHEEO education appropriations and 2023–24 IPEDS 12-month enrollment. The IPEDS denominator is the sum of institution-level 12-month headcounts within each state-sector universe. IPEDS unduplicates within an institution, not across institutions, so this is not a statewide count of unique persons and is not directly comparable to WTCS systemwide headcount, which is unduplicated across WTCS.

SHEEO states that its sector classification follows Carnegie categories, but no single IPEDS classification rule reproduces the reported SHEEO two-year share in every state. The classification audit therefore tests four transparent variants: Carnegie versus IPEDS sector classification, each with and without a degree-granting restriction. A comparison state is treated as matched when at least one variant reproduces SHEEO's reported two-year share of public FTE within 3 percentage points. Thirty-nine comparison states meet that prespecified rule; nine do not and are excluded from the stricter classification-matched sample. Alaska has no public two-year sector. Wisconsin is retained separately even though its smallest classification difference is 3.4 percentage points, because the Wisconsin difference is directly decomposed in Appendix A.

The principal Wisconsin classification follows SHEEO and keeps Madison College in the two-year sector. Madison is a WTCS technical college and has a two-year Carnegie classification even though IPEDS SECTOR classifies it as four-year because it awards some bachelor's degrees. Under the SHEEO-consistent classification, Wisconsin's 2023–24 IPEDS headcounts are 159,698 two-year and 183,682 four-year.

The full 49-state sample gives a Wisconsin four-year-to-two-year headcount ratio of 0.922, versus a median of 1.548; Wisconsin is 40.5 percent below the median and fourth-lowest. The stricter 40-state classification-matched sample gives the same Wisconsin ratio, a median of 1.506, and places Wisconsin 38.8 percent below the median and third-lowest. The similarity of the two results is the relevant classification check.

As an additional classification sensitivity, forcing the raw IPEDS SECTOR code instead of SHEEO's Carnegie-based treatment moves Madison College to the four-year sector. Wisconsin's ratio then falls to 0.745 and remains 47 percent below the median. This is not the SHEEO-consistent classification used in the main analysis, but it shows that the qualitative allocation result does not depend on the Madison College classification.

C. Broader-activity numerator coverage sensitivity

Wisconsin reports \$0 in SHEEO's separate noncredit-appropriations field. Separately, the published SHEEO FTE matches WTCS's published FTE total and therefore includes 6,074 fiscal 2024 FTE in

Vocational-Adult, Non-Postsecondary, and Community Services. The public data do not show how Wisconsin classified the support associated with those broader categories in its SHEF submission.

One possibility is that some or all of that support is included in Wisconsin's main education-appropriations line, which would leave the numerator and denominator internally aligned; the published data do not establish that. Wisconsin's detailed SHEF submission is not public, and neither WTCS nor the Legislative Fiscal Bureau allocates the district operating levy across the relevant instructional categories.

The matched IPEDS headcount denominator does not capture the corresponding broader WTCS populations on the same basis. If the SHEEO numerator includes support for that broader activity, the main headcount calculation therefore overstates Wisconsin's two-year support per IPEDS 12-month headcount and understates the four-year-to-two-year ratio. To show a transparent illustrative sensitivity supported by the observed categories, we multiply Wisconsin's two-year numerator by the postsecondary FTE share, $55,850/61,924 = 0.902$, while leaving every other state unchanged.

This lowers Wisconsin's two-year support per IPEDS 12-month headcount from \$5,458 to \$4,922 and raises its ratio from 0.922 to 1.022. Wisconsin moves from fourth- to eighth-lowest, but remains 34 percent below the full-sample median of 1.548. This is an illustrative sensitivity, not an estimate or bound on the actual funding assigned to the three broader categories.

D. WTCS instructional categories, fiscal 2025

Exhibit 1, Panel B groups WTCS's published categories for exposition. The full decomposition of the fiscal 2025 systemwide total is:

WTCS instructional category	FTE	Headcount	FTE per category headcount
Associate of Arts / Associate of Science	5,563	19,596	0.28
Applied Associate Degree	45,187	145,435	0.31
Technical Diploma, including apprenticeship	7,654	35,830	0.21
Vocational-Adult	1,675	98,169	0.017
Non-Postsecondary (Adult Education / ELL)	4,282	36,395	0.12
Community Services	90	5,563	0.016
System total	64,451	293,904	0.22

Note: category headcounts are not additive, because a student enrolled in more than one category appears in each. The 293,904 WTCS systemwide headcount is unduplicated across WTCS: each person counts once in the system total. The two associate-degree categories sum to 50,750 FTE; the remaining four sum to 13,701 FTE, the "other WTCS categories" line in Exhibit 1, Panel B. Technical Diploma is a postsecondary category and is not part of the 9.8 percent broader-activity sensitivity, which covers only Vocational-Adult, Non-Postsecondary, and Community Services.