



# DAVE MURPHY

State Representative • 56th Assembly District

TO: Members of the Senate Committee on Universities and Technical Colleges  
RE: Testimony in Support of Senate Bill 595  
DATE: February 17, 2016

Members of the Senate Committee on Universities and Technical Colleges, thank you for hearing my testimony in support of Senate Bill 595.

This bill requires all higher education institutions in the state to send students a letter with information about their loans and provide financial literacy information in their first semester so they can make better decisions about their financial future. The more relevant information that is conveniently provided to the student will allow them to make smarter financial decisions and potentially reduce the level of student loan borrowing in the state.

Indiana University launched financial literacy programs in 2012 and began sending out similar student loan debt letters to students. Over two years, the financial literacy initiatives contributed to a 16% reduction of student borrowing, equaling \$44 million.

After looking at the success from Indiana's programs, this bill was created with the input of our higher education partners at the UW, Technical College System, and the Wisconsin Association of Independent Colleges and Universities and tailored to the needs of Wisconsin students.

Currently, students receive most of the information about their loans at the beginning of their college career during entrance counseling and at the end of their career during the exit counseling. The problem is twofold: students don't receive enough information throughout their college career, and it is difficult for some students to fully grasp the impact of taking out thousands of dollars in loans.

This letter will be sent each year when students are considering their financial aid package and it will give them more information in one place that tells a student what they have accumulated over time, what their status is now, and it even provides projections, such as estimated monthly payments, so students understand the future implications of their decisions. Links to other financial literacy resources will be provided so students can learn more.

I hope you will support this bill so students have the necessary information to make smart financial decisions about their student loans. Thank you for your time and consideration of this bill.

ALVERNO COLLEGE  
BELLIN COLLEGE  
BELOIT COLLEGE  
CARDINAL STRITCH UNIVERSITY  
CARROLL UNIVERSITY  
CARTHAGE COLLEGE  
COLUMBIA COLLEGE OF NURSING  
CONCORDIA UNIVERSITY  
EDGEWOOD COLLEGE  
LAKELAND COLLEGE  
LAWRENCE UNIVERSITY  
MARIAN UNIVERSITY



WISCONSIN'S PRIVATE, NONPROFIT COLLEGES AND UNIVERSITIES  
WORKING TOGETHER FOR EDUCATIONAL OPPORTUNITY

MARQUETTE UNIVERSITY  
MEDICAL COLLEGE OF WISCONSIN  
MILWAUKEE INSTITUTE OF ART & DESIGN  
MILWAUKEE SCHOOL OF ENGINEERING  
MOUNT MARY UNIVERSITY  
NASHOTAH HOUSE  
NORTHLAND COLLEGE  
RIPON COLLEGE  
ST. NORBERT COLLEGE  
SILVER LAKE COLLEGE  
VITERBO UNIVERSITY  
WISCONSIN LUTHERAN COLLEGE

## TESTIMONY

By

**Dr. Rolf Wegenke, President**

**Wisconsin Association of Independent Colleges and Universities (WAICU)**

on

**Senate Bill 595**

to

**Senate Committee on Universities and Technical Colleges**

**February 16, 2016**

Chair Harsdorf and members of the Committee, thank you for holding this hearing today and for your attention to the important issue of college access and affordability. My name is Rolf Wegenke. I am President of the Wisconsin Association of Independent Colleges and Universities, or WAICU, the official organization representing Wisconsin's 24 private, nonprofit colleges and universities and their nearly 60,000 students.

WAICU is supportive of the intent of Senate Bill 595. WAICU-member colleges and universities are committed to educating students on their costs and on increasing financial literacy. Neither the college nor the students "win" without this knowledge. The federal government has many requirements for sharing information with students; all WAICU members rigorously follow those requirements. I understand that some aspects of this legislation were patterned after Indiana law, but, in some respects, Wisconsin has done Indiana "one better." Senate Bill 595 requires institutional aid amounts to be included as information disclosed to students; we are particularly supportive of this provision as this will help students understand the full impact of the loans and grants they receive. For WAICU members, institutional and private aid is one of their fastest growing expenditures. On average 67 percent of all grant aid for our students comes from WAICU members own, privately raised, resources. Sharing this information with students will help them better understand all the resources that are contributing to their educational opportunity and assist them in making prudent and responsible decisions.

Additionally, I have talked to the Legislature many times about WAICU's cost saving collaborative service programs. Our collaborative programs (we have over 40) range from joint purchases of office supplies, to joint purchases and management of software platforms, to environmental health and safety audits. In 2014, the documented annual savings enjoyed by WAICU members and their students was over \$18 million dollars. I am happy to report that WAICU collaborative programs are on track to exceed \$20 million in annual savings. These savings are returned to institutions and often reinvested in institutional aid to students or to otherwise keep down the cost of tuition. Through WAICU member contributions in institutional aid and cost saving collaborations, WAICU members are working hard to

ensure access to their institutions and to make educational opportunity affordable.

Lastly, Senator Marklein has offered an important amendment addressing the required disclosure of information from private lenders that is distributed through the financial aid package. This information is often not available to the college or university. The amendment would require the college and university to share this information **only if** it is provided to the institution. We strongly support this important amendment and ask this Committee to also support should an Executive Session be held on Senate Bill 595.

I will be registering in favor of other bills before the committee today, but will not take the Committee's time to speak to all of them.

WAICU members, while private institutions, are a public service and a public good. We are happy to do our part to promote access and affordability for ALL students.

I would be happy to answer any questions.