

1 **AN ACT** *to amend* 20.235 (1) (e), 39.435 (8), 39.47 (2g) and 39.47 (3); and *to create*
 2 20.235 (1) (kr) and 39.47 (4) of the statutes; **relating to:** the Minnesota–Wisconsin
 3 student reciprocity agreement, the Wisconsin higher education grant, and making an
 4 appropriation.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

JOINT LEGISLATIVE COUNCIL PREFATORY NOTE: This draft was prepared for the Joint Legislative Council’s Special Committee on Review of Higher Education Financial Aid Programs.

Under the terms of the current Minnesota–Wisconsin student reciprocity agreement, Wisconsin students who attend public institutions of higher education in Minnesota are charged tuition at a rate equivalent to the cost of resident tuition at that Minnesota institution of higher education. However, the tuition charged to a Wisconsin student attending a public institution of higher education in Minnesota is paid through a combination of payments from the student and the state of Wisconsin. The Wisconsin student pays an amount equivalent to the resident tuition that student would be charged if he or she attended a comparable institution of higher education in Wisconsin, and the state of Wisconsin pays an amount equal to the difference between Minnesota resident tuition and Wisconsin resident tuition under a “reciprocity supplement program”.

This draft would require each student participating in the reciprocity program to pay the higher of the resident tuition in the student’s home state or the resident tuition in his or her state of attendance and would prohibit the payment of a reciprocity supplement by the state of Wisconsin. Accordingly, the full cost of resident tuition for a Wisconsin student attending a public institution of higher education in Minnesota would be paid by the student.

Often, under the reciprocity agreement, the amount of tuition paid by Minnesota students exceeds the resident tuition charged by the University of Wisconsin (UW) System. Accordingly, UW System institutions collect more tuition revenue from Minnesota residents than would otherwise be paid by Wisconsin residents. The amount of tuition

in excess of the comparable tuition for Wisconsin residents is classified as “GPR–Earned” and deposited in the state’s general fund.

This draft would require the amount of any tuition differential received by the UW System under the Minnesota–Wisconsin student reciprocity agreement to be credited to the appropriation for the Wisconsin higher education grant for UW System students, after accounting for any remaining payments made by Wisconsin to Minnesota under the reciprocity agreement.

1 **SECTION 1.** 20.235 (1) (e) of the statutes is amended to read:

2 20.235 (1) (e) *Minnesota–Wisconsin student reciprocity agreement.* A sum sufficient
3 for the purposes of s. 39.47, if any obligation under s. 39.47 remains after payments from s.
4 20.235 (1) (kr).

NOTE: This SECTION modifies the current sum sufficient appropriation for the Minnesota–Wisconsin student reciprocity agreement. As amended, this appropriation would apply only if the amount owed by Wisconsin to Minnesota under the reciprocity agreement exceeded the amount of money generated by the tuition differential under s. 39.47 (4), as created by this draft.

5 **SECTION 2.** 20.235 (1) (kr) of the statutes is created to read:

6 20.235 (1) (kr) *Minnesota–Wisconsin student reciprocity agreement; Wisconsin higher*
7 *education grants; University of Wisconsin System students.* All moneys received under s.
8 39.47 (4) shall first be paid for the purposes of s. 39.47. Any remaining moneys shall be paid
9 for the purposes of s. 39.435 (8).

NOTE: This SECTION specifies that the amount of the tuition differential under s. 39.47 (4), as created by this draft, shall first be used to pay any obligations under the Minnesota–Wisconsin student reciprocity agreement. Remaining moneys from the tuition differential shall be appropriated for the Wisconsin higher education grant for UW System students.

10 **SECTION 3.** 39.435 (8) of the statutes is amended to read:

1 39.435 (8) The board shall award grants under this section to University of Wisconsin
2 System students from the ~~appropriation~~ appropriations under s. ss. 20.235 (1) (fe) and 20.235
3 (1) (kr).

4 **SECTION 4.** 39.47 (2g) of the statutes is amended to read:

5 39.47 (2g) Prior to each academic year, the board and the designated body representing
6 the state of Minnesota shall prepare an administrative memorandum that establishes policies
7 and procedures for implementation of the agreement for the upcoming academic year,
8 including a description of how the reciprocal fee structure shall be determined for purposes
9 of sub. (2), and the board shall submit the administrative memorandum to the joint committee
10 on finance. For an administrative memorandum prepared on or after [insert effective date],
11 the reciprocal fee shall be the higher of the resident tuition that would be charged the student
12 at the public institution of higher education in which the student is enrolled or the resident
13 tuition that would be charged the student at comparable public institutions of higher education
14 located in his or her state of residence and the board may not pay any reciprocity supplement
15 on behalf of a Wisconsin student attending a public institution of higher education in
16 Minnesota. If the cochairpersons of the committee do not notify the board that the committee
17 has scheduled a meeting for the purpose of reviewing the administrative memorandum within
18 14 working days after the date of the submittal, the administrative memorandum may be
19 implemented as proposed by the board. If, within 14 working days after the date of the
20 submittal, the cochairpersons of the committee notify the board that the committee has
21 scheduled a meeting for the purpose of reviewing the administrative memorandum, the
22 administrative memorandum may be implemented only upon approval of the committee.

NOTE: This SECTION would require the reciprocal fee under the Minnesota–Wisconsin student reciprocity agreement to be the higher of the resident tuition that would be charged the student at the public

institution of higher education in which the student is enrolled or the resident tuition that would be charged the student at comparable public institutions of higher education located in his or her state of residence. This SECTION also would prohibit the board from paying a reciprocity supplement on behalf of a Wisconsin resident.

1 **SECTION 5.** 39.47 (3) of the statutes is amended to read:

2 39.47 (3) At the end of each semester or academic term, each state shall determine the
3 number of students for whom nonresident tuition has been waived under the agreement. Each
4 state shall certify to the other state, in addition to the number of students so determined, the
5 aggregate amount of its reimbursement obligation. The state with the larger reimbursement
6 obligation shall pay as provided in the agreement an amount determined by subtracting the
7 reimbursement obligation of the state with the smaller reimbursement obligation from the
8 reimbursement obligation of the state with the larger reimbursement obligation. The
9 agreement shall provide a reasonable date for payment of any such sums due and owing, after
10 which date interest may be charged on the amount owed. The methodology for determination
11 of the appropriate interest rate shall be included in the agreement. Any Except as provided
12 in sub. (4), payments received by this state under this subsection shall be deposited in the
13 general fund.

14 **SECTION 6.** 39.47 (4) of the statutes is created to read:

15 39.47 (4) DEFINITION. (a) In this subsection, “tuition differential” means the difference
16 between tuition received by a public institution of higher education, other than vocational
17 schools, from a Minnesota student and the resident tuition charged by the public institution
18 of higher education.

19 (b) The amount of any tuition differential received under this section shall be deposited
20 in the appropriation under s. 20.235 (1) (kr).

NOTE: This SECTION would require the amount of any tuition differential received by the UW System under the Minnesota–Wisconsin student reciprocity agreement to be credited to an appropriation for the Minnesota–Wisconsin student reciprocity agreement and the Wisconsin higher education grant for UW System students.

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(END)