

1       **AN ACT** *to amend* 20.235 (1) (e), 39.435 (8), 39.47 (2g) and 39.47 (3); *to repeal and*  
 2           *recreate* 39.47 (2g); and *to create* 20.235 (1) (kr) and 39.47 (4) of the statutes;  
 3           **relating to:** the Minnesota–Wisconsin student reciprocity agreement, the Wisconsin  
 4           higher education grant, and making an 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. This draft would first apply to the administrative memorandum prepared after the effective date of the Act, for students who initially enroll under the reciprocity agreement after the effective date of the Act. The draft would apply to all students enrolled under the reciprocity agreement under the administrative memorandum prepared on or after the first day of the 37th month after publication of the Act.

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.

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

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

5           **SECTION 4.** 39.47 (2g) of the statutes, as affected by this Act, is repealed and recreated  
6 to read:

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

1 administrative memorandum, the administrative memorandum may be implemented only  
2 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. This SECTION would apply to all students, and would apply to an administrative memorandum prepared on or after the first day of the 37th month after publication of the Act.

3 **SECTION 5.** 39.47 (2g) of the statutes is amended to read:

4 39.47 (2g) Prior to each academic year, the board and the designated body representing  
5 the state of Minnesota shall prepare an administrative memorandum that establishes policies  
6 and procedures for implementation of the agreement for the upcoming academic year,  
7 including a description of how the reciprocal fee structure shall be determined for purposes  
8 of sub. (2), and the board shall submit the administrative memorandum to the joint committee  
9 on finance. For an administrative memorandum prepared on or after the effective date of this  
10 subsection [LRB inserts date], the reciprocal fee for a student who initially enrolls on or after  
11 the effective date of this subsection [LRB inserts date] shall be the higher of the resident tuition  
12 that would be charged the student at the public institution of higher education in which the  
13 student is enrolled or the resident tuition that would be charged the student at comparable  
14 public institutions of higher education located in his or her state of residence and the board  
15 may not pay any reciprocity supplement on behalf of a Wisconsin student who initially attends  
16 a public institution of higher education in Minnesota on or after the effective date of this  
17 subsection [LRB inserts date]. If the cochairpersons of the committee do not notify the board  
18 that the committee has scheduled a meeting for the purpose of reviewing the administrative

1 memorandum within 14 working days after the date of the submittal, the administrative  
2 memorandum may be implemented as proposed by the board. If, within 14 working days after  
3 the date of the submittal, the cochairpersons of the committee notify the board that the  
4 committee has scheduled a meeting for the purpose of reviewing the administrative  
5 memorandum, the administrative memorandum may be implemented only upon approval of  
6 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. This SECTION would apply only to students who initially enroll after the effective date of the subsection, which would be the day after the day the act is published.

7 **SECTION 6.** 39.47 (3) of the statutes is amended to read:

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

1 in sub. (4), payments received by this state under this subsection shall be deposited in the  
2 general fund.

3 **SECTION 7.** 39.47 (4) of the statutes is created to read:

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

8 (b) The amount of any tuition differential received under this section shall be deposited  
9 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.

10 **SECTION 8. Effective date.**

11 (1) The repeal and recreation of section 39.47 (2g) of the statutes takes effect on the first  
12 day of the 37th month after publication.

13 (END)