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JFC 13.10 Meeting
August 26, 1997

Staff Recommendations:

Agenda Item I: (Higher Educational Aids Board)

Part A (Reciprocal Fee): Alternative 3

Note: Alternative 1 is what HEAB wants, but Alt. 3 gives JFC more oversight, without renegotiations. (See page 6, paragraph 1) Rep. Harsdorf is not going to want the JFC oversight, Sens. Cowles and Panzer do.

Part B (Tuition Gap Surcharge): Alternative 1(c), 2(a), 3(b), and 4

Part C (Other Reciprocity Changes): Alternative 1

Part D (Expiration Date): Alternative 1

Part E (Biennial Review): Alternative 1

Part F (Minor Technical Changes): Alternative 1

Note: Bob talked to David Miller at UW and Steve Perala at United Council. Both seemed fine with the agreement that HEAB has already worked out. Basically, JFC is just confirming what they already negotiated.

Agenda Item II: (Department of Workforce Development)

Alternatives 1(a),(b), and (c)

Note: This is a technical transfer of funds from AFDC to start up W2. The contract language is attached to the Fiscal Bureau paper for you to refer to, if you want to call Connie Hagen on her false claims about the contracts to Cindy. As of last Wednesday, six W2 agencies were granted extensions in signing their contracts. Waukesha has not signed, nor asked for an extension. Another agency is doing it, but has not yet signed a contract.

Legislative Fiscal Bureau

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August 26, 1997

TO: Members
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Higher Educational Aids Board--Section 13.10 Request for Approval of the Minnesota-Wisconsin Higher Education Reciprocity Agreement--Agenda Item I

BACKGROUND

The Minnesota-Wisconsin tuition reciprocity agreement, which is authorized under section 39.47 of the statutes, provides for the waiver of nonresident tuition for residents of one state attending institutions of higher education in the neighboring state. For admission purposes, students participating under the agreement are treated as residents of the state in which the institution they attend is located. The statutes specify that a student enrolled at a university or community college under the agreement pay a reciprocal fee which is defined as the average academic fee (resident tuition) that he or she would have paid at a comparable public institution of higher education in his or her state of residence, as specified in the agreement. The agreement applies to students enrolled in all undergraduate and graduate programs except medical, dental and veterinary programs. Annually, a payment between the states is made to compensate for any net differences in the cost of educating students enrolled under the agreement. In 1995-96, the most recent year for which data is available, 9,312 Wisconsin residents attended Minnesota colleges and universities while 11,731 Minnesota residents attended UW institutions.

The reciprocity agreement also applies to students attending public vocational or technical institutions. However, students attending these institutions pay the resident tuition rate for the institution in which they are enrolled, rather than the tuition rate charged in their home state. Unlike the portion of the agreement which pertains to university and community college students, there is no provision for the exchange of funds between the two states to compensate for technical college students participating under the agreement.

The stated purpose of the agreement is to "continue to improve the postsecondary education advantages of residents of Minnesota and Wisconsin through greater availability and accessibility of postsecondary education opportunities and to achieve improved effectiveness and economy in meeting the post-secondary education needs of Minnesota and Wisconsin residents through cooperative planning efforts." In addition, the statutes specify that the purpose of the agreement is to "ensure that neither state shall profit at the expense of the other and that the determination of any amounts owed by either state under the agreement shall be based on an equitable formula which reflects the educational costs incurred by the two states."

The agreement is administered jointly by the Minnesota Higher Educational Services Office (MHESO) and the Wisconsin Higher Educational Aids Board (HEAB). Negotiations for the renewal of the current agreement, which began in the fall of 1995, were conducted by a group of representatives from each state. In Wisconsin, this group consisted of representatives from HEAB, the UW System, the Wisconsin Technical College System (WTCS), and the Department of Administration.

Amendments and Termination

HEAB and MHESO jointly review the agreement in each even-numbered year and an annual administrative memorandum prepared by both agencies specifies the administrative procedures to implement the agreement and to compute each state's financial obligation under the agreement. Either state may request negotiations to modify the agreement with 90 days advance notice and the agreement may be amended at any time with the consent of both states. While the agreement is not included in the Minnesota statutes, Wisconsin law specifies that the agreement is subject to the approval of the Joint Committee on Finance.

The most recent modification to the agreement was approved by the Joint Committee on Finance in April of 1996, and involved a change in the tuition charged to Wisconsin students attending Minnesota's law school. Beginning in 1997-98, Wisconsin students attending the law school will be charged Minnesota resident tuition, rather than the lower Wisconsin resident tuition rate. In approving this change to the agreement, the Committee acknowledged that legislation would be needed to permit a different reciprocity tuition amount to be charged to law students. On March 6, 1997, Assembly Bill 160 was introduced to accomplish the statutory change.

The current agreement was renewed on July 1, 1991 and will expire on June 30, 1998. If the agreement is not renewed, students enrolled under the agreement would be allowed to continue to participate in the program for up to three years from the time the agreement is terminated or until they have completed their degree, whichever occurs earlier.

Reciprocity Tuition and the Calculation of Liability Obligation

As previously noted, a student attending a university or community college under the agreement currently pays the average tuition rate that he or she would have paid at a comparable institution in his or her home state. Because Minnesota's resident tuition is higher than

Wisconsin's, UW System institutions collect more tuition revenue from Minnesota residents than would otherwise be paid by Wisconsin residents. The additional tuition revenues are deposited into the general fund as GPR-Earned.

Each state's financial obligation under the agreement is calculated by subtracting the total amount of reciprocity tuition paid by students from the other state from the "reciprocity cost" per credit hour multiplied by the total number of credit hours taken by students from the other state. Reciprocity cost, which is defined in the agreement as 64% of Wisconsin's total per credit instructional costs, is that portion of total student costs that varies with changes in enrollment and excludes fixed costs. Wisconsin costs are used to calculate liability for both states because it is assumed that instructional costs are similar for both states. The state with the higher liability amount determined under this formula pays the difference to the other state.

The following table shows data on enrollment and net cost for Minnesota and Wisconsin students under the reciprocity agreement for each year from 1987-88 to 1995-96. Net cost is calculated by subtracting the total amount of reciprocity tuition paid from the reciprocity cost per credit multiplied by the number of credits taken.

Payment Received by Wisconsin From Tuition Reciprocity

Academic Year	Minn. Students Enrolled in WI		WI Students Enrolled in Minn.		Reciprocity Payment*	Net Tuition Differential	Total GPR-Earned
	No.	Net Cost	No.	Net Cost			
1987-88	10,978	$11,709,856	5,472	$7,326,603	$4,383,253	$1,240,431	$5,623,684
1988-89	11,245	13,135,799	6,207	8,530,295	4,605,504	1,197,068	5,802,572
1989-90	11,625	15,124,583	6,737	9,442,804	5,681,779	1,534,870	7,216,649
1990-91	12,035	17,101,427	7,136	10,478,901	6,622,526	1,884,083	8,506,609
1991-92	12,342	15,076,928	7,492	11,788,659	3,288,269	4,335,986	7,624,255
1992-93	11,985	15,693,868	7,965	13,235,438	2,458,430	4,982,720	7,441,150
1993-94	11,519	17,056,773	8,724	15,044,699	2,012,074	4,444,771	6,456,845
1994-95	11,721	17,683,273	8,656	15,932,604	1,750,669	4,158,818	5,909,487
1995-96	11,731	16,417,266	9,312	16,928,150	-505,159**	4,916,057	4,410,898

*The reciprocity payment is made in December of the following fiscal year.
**The 1995-96 payment is $510,884, less $5,725 for a prior year adjustment.

Prior to the 1995-96 academic year, the total number of credits taken by Minnesota students attending UW institutions was always greater than the number of credits taken by Wisconsin students attending Minnesota institutions. Therefore, Minnesota annually made a reciprocity payment to Wisconsin. Since 1990-91, however, when Minnesota's reciprocity payment peaked at $6.6 million, the gap between the two states' liability obligations has narrowed, decreasing Minnesota's reciprocity payment to Wisconsin. For the first time, in 1995-96, Wisconsin's liability obligation was greater than Minnesota's and in December, 1996, Wisconsin paid Minnesota a total of $505,159 from a GPR sum sufficient appropriation established for this purpose.

The decrease in Minnesota's reciprocity payment to Wisconsin since 1990-91 is the result of two factors: (a) a 37.7% increase in the number of credits taken by Wisconsin residents attending Minnesota institutions versus a 1.5% decrease in the number of credits taken by Minnesota residents attending UW campuses; and (b) a large increase in Minnesota's resident tuition in 1991-92. However, increases in Minnesota's resident tuition rates also cause the tuition differential to increase, which means that a Minnesota resident enrolled in a Wisconsin institution is paying a larger portion of the total amount owed to Wisconsin under the agreement. Because Minnesota resident tuition has increased at a faster rate than Wisconsin resident tuition, the decline in Minnesota's reciprocity payment to the general fund has been offset, to some degree, by an increase in the tuition differential, which is deposited as GPR-Earned. For 1995-96, the amount of GPR-Earned from the tuition differential was $4.9 million compared to $1.9 million in 1990-91. When Wisconsin's reciprocity payment of $505,159 to Minnesota is included, total GPR-Earned for 1995-96 equalled $4,410,898.

REQUEST

The Higher Educational Aids Board requests the Committee's approval of the renewal of the Minnesota-Wisconsin tuition reciprocity agreement which will expire on June 30, 1998. All of the proposed changes to the agreement would be effective beginning with the 1998-99 academic year. In addition to minor and technical changes, the proposed agreement would:

- Change the definition of reciprocal fee from "approximately the average academic fees which govern these residents at public institutions in their home state" to "a rate not to exceed the higher of the Wisconsin or Minnesota resident tuition rates at comparable institutions." The proposed agreement originally submitted by HEAB defined reciprocal fee as "a rate below that charged to other non-resident students." However, in a letter to the Co-Chairpersons of the Joint Committee on Finance dated August 5, 1997, the Executive Secretary of HEAB indicated that the proposed agreement has been modified to reflect the new definition of reciprocal fee. Actual tuition rates to be charged under the agreement would be established in the administrative memorandum which is prepared each year by the administering agencies. The proposed agreement specifies that in the event that the resident tuition rates charged in both states are not finalized by July 15, any adjustments made to the previous year's tuition rates would be applied to the tuition rates for the new fiscal year, once finalized. Student categories, which indicate comparable institutions in each state would also be shown in the administrative memorandum, rather than in the agreement.

- Specify that for 1998-99 and 1999-2000, the reciprocity tuition charged to Wisconsin residents attending the University of Minnesota-Twin Cities as undergraduate students will be equal to UW-Madison resident undergraduate tuition plus 25% of the difference between the resident undergraduate tuition rates at UM-Twin Cities and UW-Madison. After 1999-2000, any such additional charge would be subject to negotiations between the two administering state agencies.

- Eliminate the expiration date for the agreement and instead, provide that the agreement would be effective beginning July 1, 1998 and would continue from year-to-year unless modified or terminated. The agreement could be modified at any time upon mutual consent of both states. Either state could request the termination of the agreement provided that the state notifies the head of the administering agency in the other state, in writing. The consent of both states would not be required to terminate the agreement. In the event that the agreement is canceled, a student enrolled under the agreement could continue to receive reciprocity benefits for up to four years, provided that the student continues to be enrolled each year at an eligible institution.

- Eliminate the requirement that the agreement and the administration of the agreement be reviewed jointly by the administering agencies in each even-numbered year.

- Clarify that residents of either state who are enrolled in distance learning courses offered by institutions in the other state are not covered under the agreement. The agreement would also indicate that the use of electronic applications and reporting between the administering agencies is encouraged.

ANALYSIS

Reciprocal Fee

Under current law, the "reciprocal fee" charged to students enrolled at colleges or universities under the agreement is defined as the average tuition that would be charged the student at a comparable institution in his or her state of residence. The proposed agreement would allow the reciprocal fee to be set at any amount not exceeding the higher of the two states' resident tuition rate for a comparable institution. Specific tuition rates charged under the agreement would be negotiated annually by HEAB and MHESO and indicated in the administrative memorandum. Since the definition of reciprocal fee is also included in the statutes, legislation would be required to accomplish the proposed change.

Members of Wisconsin's negotiating team as well as HEAB staff indicate that the proposed additional flexibility in tuition setting is desirable in order to permit HEAB to resolve issues as they arise and avoid the delays associated with legislative approval. It is argued that this flexibility would facilitate negotiations with Minnesota, which does not require legislative approval of changes to the agreement. In addition, the negotiators believe that flexibility in setting the reciprocal fee may be needed due to the implementation of differential tuition rates at UW System institutions. The Board of Regents recently approved a proposal which permits UW institutions to charge differential tuition rates for the entire campus or for particular programs offered at the campus. For example, beginning in 1997-98, all undergraduate students at UW-Eau Claire will be charged an additional $50 per semester. Because Wisconsin resident tuition will no longer be uniform across all of the comprehensive institutions, a new tuition amount for Wisconsin residents attending similar institutions in Minnesota, would have to be calculated.

Because changes to the administrative memorandum, unlike changes to the agreement itself, do not require legislative approval, this proposed modification would increase the authority of the administering agencies, while diminishing the Legislature's and Finance Committee's oversight role in the agreement. For example, had this provision been in effect in 1996, HEAB would not have been required to obtain approval from the Joint Committee on Finance in order to change the tuition rate for Wisconsin residents attending the University of Minnesota Law School. In addition, legislation would not have been necessary to bring the statutes into compliance with the approved change.

Changes to the reciprocity tuition rates would not only affect the amount paid by participating students; such changes would also have an impact on the state's liability obligation under the reciprocity agreement. Adjustments to the portion of a student's educational cost paid by the student in the form of tuition will result in an increase or decrease in Wisconsin's reciprocity payment to Minnesota. By eliminating legislative involvement in the process of determining the reciprocal fee, the proposed agreement would require HEAB to make decisions which could have a significant fiscal effect for the state. One could argue that such decisions should remain under the purview of the Legislature, rather than an individual state agency.

To address this issue, the Committee could approve the request to change the definition of reciprocal fee but require that the reciprocity tuition rates be indicated in the agreement itself. For example, the agreement would specify that Minnesota residents attending UW-Madison as undergraduates would be charged the UM-Twin Cities undergraduate tuition rate. While the actual dollar amounts would continue to be shown in the annual administrative memorandum, any changes to the underlying tuition rates to be charged would still be subject to the approval of the Joint Committee on Finance. The administering agencies would be permitted to establish the reciprocal fee at an amount other than the resident tuition rate at a comparable institution in the student's home state upon the approval of the Committee. The procedure for such changes could be facilitated by permitting the Committee to approve any proposed changes to the agreement under a 14-day passive review process. Since this option would require HEAB to reenter negotiations with MHESO, it is not known whether Minnesota would agree to such a change.

An option which would not require modification of the proposed agreement, but would provide a greater level of legislative oversight than that proposed in the request, would be to approve HEAB's request to establish the reciprocity tuition rates in the administrative memorandum but require that the memorandum be approved annually by the Joint Committee on Finance under a 14-day passive review process. In order to allow sufficient time for the Committee's review, prior to the start of the academic year, the administrative memorandum would have to be submitted to the Committee before tuition rates are set, which usually occurs in June or July. While this option would not permit the inclusion of specific reciprocity tuition rates in the administrative memorandum, the underlying tuition policy could be indicated. For example, the memorandum could specify that Wisconsin residents attending UM-Duluth pay the

UW-Milwaukee resident tuition rate, without indicating the actual dollar amount. For the benefit of the administering agencies, an addendum to the memorandum which lists the reciprocity tuition amounts could be prepared after regular tuition rates are set.

Because the proposed agreement would no longer include an expiration date, there would not be a scheduled opportunity for the Committee to review the agreement. If the Committee wishes to provide HEAB with additional flexibility while retaining some level of legislative oversight, the expiration date for the agreement could be extended, rather than eliminated. This would provide the Committee an opportunity to evaluate the effects of the proposed changes in the tuition-setting process under the agreement.

Reciprocity Tuition Changes

Because tuition at Minnesota institutions is generally higher than at Wisconsin institutions, Wisconsin residents attending Minnesota institutions under the agreement pay less in tuition than Minnesota residents attending the same institution. This situation at times has proved awkward for Minnesota and for a number of years, that state has sought to increase tuition rates paid by Wisconsin residents attending Minnesota institutions in order to reduce the tuition differential. While Wisconsin has been opposed to such increases in the past, as its liability obligation has increased, Wisconsin negotiators have been willing to consider tuition increases for Wisconsin residents in order to reduce the state's payment to Minnesota. In order to address this issue, three changes relating to the reciprocity tuition rates under the agreement are included in the proposal. Each of these modifications would increase the total amount of tuition paid by Wisconsin residents beginning with the 1998-99 academic year. Requiring students to pay a higher percentage of their total instructional costs would reduce Wisconsin's financial liability, and thus, its reciprocity payment to Minnesota.

Enrollment trends and preliminary data for the 1996-97 academic year indicate that Wisconsin will again be required to make a payment to Minnesota in December, 1997, for the 1996-97 academic year. While enrollment data for the entire 1996-97 academic year is not yet available, it is estimated that the payment amount will be approximately $2.0 million, compared to the 1995-96 payment of $505,159. However, as previously noted, Minnesota residents attending UW institutions pay Minnesota tuition rates, which are higher than Wisconsin's resident rates. These "surplus" tuition revenues, estimated at $5.6 million for the 1996-97 academic year, are deposited to the general fund and offset the reciprocity payment to Minnesota. Thus, the net amount deposited to the general fund is estimated at $3.6 million for the 1996-97 academic year, compared to $4.4 million for the 1995-96 academic year.

The following proposed changes to reciprocity tuition rates would increase the total tuition paid by Wisconsin residents for the 1998-99, which would be paid in December of 1999, academic year by an estimated $2.1 million to $2.5 million. Wisconsin's liability obligation for 1998-99 would decrease by an equivalent amount. If the requested change to the definition of reciprocal tuition is not approved, the first two of the following changes to the reciprocity tuition rates could only be implemented if legislation similar to that introduced for the Law School tuition change was enacted. On the other hand, if the Committee approves the change to the definition of reciprocal fee, the administering agencies would not technically need the Committee's approval to adjust tuition rates for students enrolled under the agreement.

Surcharge for Students Attending UM-Twin Cities. The proposed agreement specifies that, for the 1998-99 and 1999-2000 academic years, Wisconsin residents attending UM-Twin Cities as undergraduates would pay an additional "surcharge" equal to 25% of the difference between the resident tuition rates at UM-Twin Cities and UW-Madison. The agreement would stipulate that "the impact of the additional tuition gap charge on UM-Twin Cities' enrollment and on the goal of maintaining a financially equitable agreement shall be analyzed" in the spring of the 1998-99 and 1999-2000 academic years. The conclusions from these analyses would determine whether such a charge would be continued and the amount of the charge.

In 1996-97, resident tuition per academic year at UM-Twin Cities was $3,929, while resident tuition at UW-Madison was $2,651, a difference of $1,278. Had the surcharge been in effect in 1996-97, a Wisconsin resident would have paid an additional $320 per year, for a total of $2,971. During the fall, 1996 term, 3,696 Wisconsin residents attended UM-Twin Cities as undergraduates. The actual increase in tuition payments, and corresponding decrease in Wisconsin's liability obligation, which would result from the surcharge in 1998-99 is dependent upon the effect of the surcharge on enrollment at the campus and increases in tuition at both Twin Cities and Madison. However, it is estimated that the surcharge would generate between $1 million and $1.2 million in additional tuition paid by Wisconsin residents.

One could argue that if a tuition gap surcharge is desired, it would be more equitable to have the charge apply to all students participating under the agreement, regardless of their state of residence or which institution they attend. With the exception of the UW Centers, Wisconsin's undergraduate tuition rates are expected to continue to be lower than Minnesota's through the 1998-99 academic year. Since very few Minnesota residents enroll at UW Center campuses (four students were enrolled at these campuses in the fall, 1996-97 semester), most of the students affected by the surcharge in that year would be Wisconsin residents. However, the tuition differential between the two states, particularly for the Minnesota State Universities and the UW Comprehensive institutions, has diminished in recent years and Wisconsin's tuition rates at these institutions may be higher than Minnesota's by 1999-2000.

In the fall, 1996 semester, 4,132 Wisconsin undergraduates attended Minnesota institutions other than UM-Twin Cities. Requiring these students to also pay a 25% surcharge would increase the total amount of tuition paid by Wisconsin residents by an estimated $150,000 to $200,000 in 1998-99. Members of the negotiating team indicate that the surcharge would be applied only to Twin Cities students because they represent the largest percentage of Wisconsin's reciprocity students (approximately 44%) and the tuition differential between Twin Cities and Madison is greater than at other campuses. While the tuition differential between UM-Duluth and UW-Milwaukee is almost as high ($1,173 in 1996-97), only about 600 students from Wisconsin attend Duluth. In addition, it is argued that enrollment by Wisconsin residents at the

Twin Cities campus is less sensitive to changes in tuition than enrollment at other Minnesota campuses. Members of the Wisconsin negotiating team and HEAB staff do not believe that the proposed surcharge would significantly affect enrollment at UM-Twin Cities.

The surcharge is intended to reduce Wisconsin's liability obligation to Minnesota while alleviating, to some extent, the political difficulties faced by Minnesota due to the tuition differential. One could argue that if such a surcharge is desirable, any percentage could be used to determine the amount of the additional charge. For example, increasing the proposed surcharge to 50%, rather than 25%, could increase the additional amount paid by Wisconsin residents attending UM-Twin Cities (and correspondingly reduce Wisconsin's liability obligation) by an estimated \$2 million to \$3.2 million. An additional \$300,000 to \$500,000 could be generated by a 50% surcharge applied to all reciprocity students. However, it may be assumed that, at some point, increases in the surcharge would begin to reduce enrollment, which would in turn reduce in the additional tuition revenues that would be generated.

An argument could be made that the tuition gap surcharge should equal 100%. That is, students enrolled under the agreement would simply pay the higher of the two states' resident tuition rates. This tuition structure would be possible under the definition of reciprocal fee included in the proposed agreement and would be consistent with reciprocity tuition rates for graduate students. Because Minnesota's tuition rates are generally higher than Wisconsin's, such a change would primarily affect Wisconsin residents and could result in lower participation rates by these students. However, a decline in Wisconsin resident enrollment at Minnesota institutions would also reduce Wisconsin's liability obligation. Excluding potential changes in enrollment, a 100% tuition gap surcharge applied only to UM-Twin Cities students would increase tuition paid by Wisconsin residents by an estimated \$4 million to \$4.8 million. This figure would increase by an additional \$600,000 to \$1 million if all reciprocity students paid the higher of the two state resident rates.

The proposed surcharge would take effect in 1998-99, and would apply to new students as well as those who were previously enrolled at the Twin Cities campus. It has been argued that a grandfather clause for the surcharge is not necessary because the agreement would be approved a full year prior to implementation, giving students sufficient time to react to the change and make appropriate decisions regarding their attendance at the institution. In addition, a grandfather clause would delay the reduction of Wisconsin's liability obligation and payment to Minnesota. Such a clause was included when tuition for Wisconsin residents attending Minnesota's Law School was increased; students enrolled in the 1995-96 academic year (prior to the approval of the change) continued to pay the lower tuition rate for the remainder of their enrollment. The Committee could consider a similar clause for students who were enrolled as undergraduates at Twin Cities in 1996-97. As a result, two classes, rather than all four, would pay the surcharge in 1998-99, which would reduce the additional tuition generated by these students by approximately one-half.

Other Reciprocity Tuition Changes. The following changes to tuition rates charged under the agreement have been proposed by the administering agencies. However, because the new agreement would not include specific tuition rates to be charged, these modifications would be included only in the annual administrative memorandum, and therefore, would not be subject to approval by the Committee. If the Committee elects not to approve the proposed flexibility, the agreement could be changed to permit these modifications.

- *Graduate Student Tuition.* HEAB and MHESO have proposed that, beginning in 1998-99, graduate students enrolled under the agreement at institutions in either state would pay the higher of the two states' resident tuition rate. Because the proposed agreement would not include actual reciprocity tuition rates, this change would be specified in the annual administrative memorandum. In 1996-97, Minnesota's annual resident tuition for graduate students was approximately $700 higher at the UM-Twin Cities and UM-Duluth than at UW-Madison and UW-Milwaukee. However, resident graduate students attending UW System comprehensive institutions and comparable University of Minnesota and Minnesota State institutions paid approximately the same tuition rates in 1996-97. Based on projected tuition increases in both states, in the 1998-99 academic year, Wisconsin's resident tuition will be higher than Minnesota's at all campuses except Twin Cities and Duluth. Therefore, it is anticipated that only Wisconsin residents attending UM-Twin Cities and UM-Duluth would be affected by the proposed tuition rate change. In the 1995-96 academic year, approximately 255 Wisconsin graduate students were enrolled at UM-Twin Cities, excluding the Law School, while approximately 35 Wisconsin graduate students attended UM-Duluth. The higher tuition to be paid by such students under the proposal would reduce Wisconsin's liability obligation for 1998-99 by an estimated $200,000 to $300,000.

As previously noted, Wisconsin residents first enrolled in Minnesota's Law School in 1996-97 and thereafter will begin paying Minnesota resident tuition in 1997-98. Therefore, it is argued that, in addition to reducing Wisconsin's liability obligation, the proposed change would result in consistent treatment of all graduate students participating under the agreement. Similar to the proposed increase in reciprocity tuition for undergraduates attending UM-Twin Cities, an argument could be made that students already enrolled in graduate programs should not be required to pay the higher tuition rates. However, since most of the graduate programs taken by reciprocity students are two-year masters degree programs, students who were enrolled in 1996-97 are likely to have completed their degree prior to the implementation of the higher tuition rates in 1998-99.

- *Credit Banding Change.* Currently, undergraduates enrolled for less than 12 credits per semester at UW System institutions pay a per-credit charge while students enrolled for 12 to 18 credits pay a flat tuition amount. However, Wisconsin residents attending Minnesota institutions under the agreement are not charged the full-time tuition rate until they enroll for 15 credits. For example, while a Wisconsin student taking 24 credits during the 1996-97 academic year at UM-Twin Cities paid $2,124, the student would have paid $2,651 had they taken the same number of credits at UW-Madison. In order to eliminate this difference, HEAB and MHESO have proposed that Wisconsin students attending Minnesota campuses be charged the full-time rate when they enroll for 12 credits or more per semester, beginning with the 1998-99 academic year. It is estimated that this change would generate $900,000 to $1 million in additional tuition paid by Wisconsin residents attending Minnesota institutions and would reduce Wisconsin's liability obligation by an equivalent amount.

Elimination of Expiration Date

The proposed agreement would be effective beginning July 1, 1998, and would not specify an expiration date. Rather, the agreement would be automatically renewed each year unless terminated or modified with the consent of both states. While this change would be consistent with Wisconsin's reciprocity agreements with other states, except Minnesota, for technical college students, the Minnesota-Wisconsin agreement has always included an expiration date.

The current agreement has been in effect since 1991; the previous agreement was effective from 1983 to 1991. However, many of the significant changes to the agreement which have occurred in the last two decades have been negotiated and approved by the two states during the term of the agreement, rather than at renewal. For example, at Wisconsin's request, medical, dental and veterinary students were excluded from the agreement in 1987-88, and in 1996, the Committee approved a proposal to change the tuition rate charged to Wisconsin students attending the University of Minnesota Law School. In comparison, when the agreement was renewed in 1991, only minor policy and technical changes were made. Further, since any changes to the agreement would continue to be subject to the approval of the Joint Committee on Finance, it could be argued that a specific expiration date is not necessary.

Conversely, one could argue that the explicit expiration date provides an opportunity for both states to examine the agreement in its entirety and in more depth than would otherwise occur. If the Committee determines that such a scheduled review of the program is desirable, the agreement could be extended, rather than eliminated.

Biennial Review

The proposed agreement would delete the current requirement that HEAB and MHESO jointly review the agreement and its administration in each even-numbered year. According to members of the negotiating team, the elimination of this requirement reflects the fact that the proposal to establish reciprocity tuition rates in the annual administrative memorandum rather than the agreement itself would necessitate more frequent review than previously occurred. Further, the Executive Secretary of HEAB indicates that, in the past, the biennial review requirement has not been strictly followed since, until relatively recently, neither state was inclined to change the agreement.

Minor and Technical Changes

The proposed agreement contains minor changes which would not have a substantive affect on the administration of the program or participating students. For example, the new agreement would specify that residents of one state who remain in that state but are enrolled in distance education courses offered by the other state, are not considered to be reciprocity students under the agreement. This modification would simply clarify current policy regarding these students. In addition, the agreement includes several technical changes which update or clarify provisions in the agreement and delete obsolete language.

ALTERNATIVES

A. Reciprocal Fee

1. Approve the request to change the definition of reciprocal fee from "approximately the average academic fees which govern these residents at public institutions in their home state" to "a rate not to exceed the higher of the Wisconsin or Minnesota resident tuition rates at comparable institutions." Direct that legislation be drafted to reflect this change. In addition, approve the request to establish reciprocity tuition rates in the annual administrative memorandum, rather than the agreement.

2. Modify the request by requiring that the underlying policy for reciprocity tuition rates be indicated in the agreement as well as the administrative memorandum. Provide that any changes to the agreement would be subject to the approval of the Joint Committee on Finance under a 14-day passive review process. In addition, direct that legislation be drafted to reflect the change in the definition of reciprocal fee and the approval process.

3. Modify the request by requiring HEAB to annually submit the proposed memorandum of understanding to the Joint Committee on Finance for its approval under a 14-day passive review process. Specify that the administrative memorandum would have to include the underlying reciprocity tuition policy, but would not have to indicate the actual tuition rates to be charged to participating students.

4. Deny the request. With the exception of Wisconsin residents enrolled at the UM-Twin Cities Law School, the reciprocal fee would continue to be approximately equal to the average tuition that would be charged at a comparable institution in the student's home state.

B. Tuition Gap Surcharge for Undergraduates

1. Percent surcharge

   (a) 100%
   (b) 50%
   (c) 25%
   (d) None

2. Students affected

   (a) Wisconsin residents attending UM-Twin Cities
   (b) All reciprocity students at all campuses

3. Duration

   (a) 1998-99
   (b) 1998-99 and 1999-00
   (c) Permanent

4. Provide that any surcharge would not apply to students who were enrolled under the agreement as undergraduates in the 1996-97 academic year.

C. Other Reciprocity Tuition Changes

1. Approve the request that the agreement allow the administering agencies flexibility in making tuition changes, so that the specific changes relating to graduate student tuition and credit banding would be made in the annual administrative memorandum, which would not be subject to approval by the Committee.

2. Modify the request by requiring that the agreement specify one or both of the following:

   a. Beginning in 1998-99, graduate students enrolled under the agreement at institutions in either state would pay the higher of the two states' resident tuition rate.

   b. Beginning in 1998-99, a Wisconsin resident attending a Minnesota institution would pay the full-time tuition rate if he or she is enrolled for 12 credits or more, rather than 15 credits or more, per term.

3. Deny the request.

D. Elimination of Expiration Date

1. Approve the request to eliminate the expiration date for the agreement. The agreement would be automatically renewed each year, unless modified with the consent of both states or terminated. Changes to the agreement would continue to be subject to approval by the Joint Committee on Finance. In addition, direct that legislation be drafted to reflect the change to the effective date of the agreement.

2. Deny the request and instead, provide that the agre ... 30 of one of the following years:

   a. 2000 (2 years)
   b. 2002 (4 years)
   c. 2004 (6 years)
   d. 2006 (8 years)

MO# D-1

	Member	Vote
1	BURKE	Y
	DECKER	Y
	GEORGE	Y
	JAUCH	Y
	WINEKE	N
	SHIBILSKI	Y
	COWLES	Y
	PANZER	Y
2	JENSEN	Y
	OURADA	Y
	HARSDORF	Y
	ALBERS	Y
	GARD	A
	KAUFERT	Y
	LINTON	Y
	COGGS	N

AYE 13 NO 2 ABS 1

E. Biennial Review

1. Approve the request to eliminate the requirement th ... in the two states jointly review the agreement and its administratio ... ar. In addition, direct that legislation be drafted to reflect this chan

2. Deny the request.

F. Minor and Technical Amendments to Agreement

1. Approve the request to make minor and technical changes to the agreement.

... request.

Larsen

MO# B-1(c), 2(a), 3(b), 4, C-1, E-1, F-1

	Member	Vote
1	BURKE	Y
	DECKER	Y
	GEORGE	Y
	JAUCH	Y
	WINEKE	Y
	SHIBILSKI	Y
	COWLES	Y
	PANZER	Y
2	JENSEN	Y
	OURADA	Y
	HARSDORF	Y
	ALBERS	Y
	GARD	Y
	KAUFERT	Y
	LINTON	Y
	COGGS	Y

AYE 16 NO 0 ABS 0

MO# A-1

	Member	Vote
	BURKE	N
	DECKER	N
	GEORGE	N
	JAUCH	N
	WINEKE	N
	SHIBILSKI	N
	COWLES	N
	PANZER	N
	JENSEN	Y
	OURADA	Y
1	HARSDORF	Y
	ALBERS	Y
2	GARD	Y
	KAUFERT	Y
	LINTON	N
	COGGS	N

AYE 6 NO 10 ABS 0

MO# A-3

	Member	Vote
1	BURKE	Y
	DECKER	Y
	GEORGE	Y
	JAUCH	Y
	WINEKE	Y
	SHIBILSKI	Y
	COWLES	Y
	PANZER	Y
2	JENSEN	Y
	OURADA	Y
	HARSDORF	Y
	ALBERS	Y
	GARD	Y
	KAUFERT	Y
	LINTON	Y
	COGGS	Y

AYE 16 NO 0 ABS 0

Legislative Fiscal B
One East Main, Suite 301 • Madi

Brian -
Contract language
attached.
Cindy

TO: Members
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Workforce Development--Section 13.10 Request Relating to Implementation of Wisconsin Works-- Agenda Item II

This memorandum addresses an August 8, 1997, request, submitted to the Joint Committee on Finance by the Department of Workforce Development (DWD), to transfer $121,011,600 of state GPR funds within the Department related to the Wisconsin Works (W-2) program. Under this request, funding would be transferred in 1997-98 from three appropriations for the aid to families with dependent children (AFDC) program [20.445(3)(d), (de) and (df)] to the appropriation for W-2 benefits and administration [20.445(3)(dz)]. This transfer would enable the Department to implement the W-2 program under current law prior to passage of the 1997-99 biennial budget bill.

BACKGROUND

Current law requires the Department to implement the W-2 program statewide by October 1, 1997, if the Department determines that sufficient funds are available. The Department has indicated its intent to implement the program statewide beginning September 1, 1997, as published in the Wisconsin Administrative Register. Absent passage of the biennial budget proposal, DWD would have sufficient funding to implement all components of the W-2 program under current law provisions. However, the existing appropriation structure and base funding amounts reflect the current AFDC program, which will be replaced by the W-2 program. If the current appropriation structure is not adjusted, funds would not be in the correct appropriations and may not be accessible for the W-2 program.

Federal funding under the temporary assistance to needy families (TANF) block grant and the child care development block grant (CCDBG) would be available under the current appropriation structure. However, the existing GPR appropriations reflect the current AFDC program and would not be available for most components of the W-2 program. This proves problematic because federal regulations do not allow the Department to spend all of the federal block grant funds prior to expenditure of state funds. Rather, a proportionate share of state funds relative to federal funds must be spent. Under federal regulations, if a state has expended federal funds without a proportionate share of state funds being spent, the U.S. Treasury may penalize the state by an amount equal to 5% of the federal TANF block grant ($15.9 million in Wisconsin). The U.S. Treasury has discretion in determining if a penalty would be imposed.

The appropriation schedule under current law includes an annual GPR appropriation for W-2 benefits and administration [20.445 (3)(dz)], which was created in the W-2 legislation (1995 Wisconsin Act 289). This appropriation may also be used to fund the W-2 child care program. However, there is currently no funding in this appropriation. In order to fund W-2 prior to passage of the budget bill, funding would need to be transferred from other GPR appropriations for AFDC to the W-2 appropriation.

If this request is approved, the Department would have the authority and the funding to implement the W-2 program under current law provisions. The following sections provide more detail regarding this request.

SUMMARY OF REQUEST

The following table summarizes the transfer of funding from three AFDC appropriations to the appropriation for W-2 administration and benefits. As shown, a total of $121.0 million would be transferred.

Summary of the Department's Request to Transfer Funds
For the Implementation of W-2
(In Millions)

Appropriation	Numeric	Title	Appropriation Total	Transfer to 20.445(3)(dz)	Balance Remaining
20.445(3)(d)	308	Income maintenance payments to individuals	$108.7	$84.4	$24.3
20.445(3)(de)	307	Income maintenance county administration	28.7	14.4	14.4
20.445(3)(df)	377	Employment and training	27.4	22.2	5.1
		Total	$164.8	$121.0	$43.7

The request would retain $43.7 million in the appropriations for AFDC benefits, the JOBS program and county administration through December, 1997. The remaining funds would be transferred to the Wisconsin Works appropriation to be used for the implementation of W-2. The estimates of the amount of funding needed for the AFDC program and W-2 program were based upon the Joint Finance Committee's version of the biennial budget, which includes a number of modifications to the W-2 program. However, the Department indicates that it would not implement those parts of the W-2 program that are not part of current law. The following sections describe each of the requested transfers.

AFDC Benefits

Under the request, $84,420,300 GPR would be transferred from the appropriation for income maintenance payments to individuals to the appropriation for W-2 benefits and administration. Funding of $24,253,200 GPR would be retained in the AFDC appropriation.

The $24.3 million amount remaining in the appropriation for income maintenance payments to individuals represents the GPR share of funding for AFDC benefits and burial costs. The amount for AFDC benefits includes payments to non-legally responsible relatives (NLRRs) that have not yet been converted to kinship care payments. The amount for AFDC benefits also includes funding for current AFDC cases that are not converted to W-2 on September 1, 1997. The Department indicates that not all cases will be converted to W-2 on this date, and AFDC benefits would continue to be paid until the case has been converted. No AFDC benefits may be paid after March 1, 1998.

The amount remaining in the appropriation for AFDC benefits also includes payments to children of parents who receive supplemental security income (SSI). Under the current AFDC program, these children may be eligible for an AFDC payment for a family size equal to the number of children, if the family meets the AFDC eligibility criteria. For a single parent with one child, the cash benefit is $249 per month (the AFDC payment for a family size one). Under the current provisions for W-2, a family can receive cash assistance only if an adult participates in a W-2 employment position. However, adults who receive SSI are prohibited from participating in a W-2 employment position. Therefore, under current law, additional cash assistance will no longer be available to such families once W-2 has replaced the AFDC program. In order to partially replace the AFDC payment to children of SSI recipients, the version of the biennial budget approved by the Joint Finance Committee includes a monthly SSI supplement of $77 per child.

Under this request, the Department has indicated its intent to continue to provide an AFDC payment to children of SSI recipients until a biennial budget proposal has been enacted. The amount remaining in the 20.445 (3)(d) appropriation includes funding for these payments of $3.3 million through December, 1997. This represents only the GPR portion of these payments. The total cost of these payments through December, 1997, is $9.7 million ($2.4 million per month). These costs are based on an average AFDC payment of $226 per month for 10,700 children. Under current law, these payments must be discontinued after March 1, 1998.

County Administration

The request would transfer $14,350,600 GPR from the appropriation for county income maintenance administration to the W-2 appropriation. This amount is one-half of the total funding currently in the appropriation. The remaining funds would be used to cover county income maintenance administration costs for six months as the AFDC program is phased out and W-2 is implemented.

Employment and Training

Under the request, $22,240,700 GPR would be transferred from the numeric appropriation for employment and training programs, leaving a remaining balance of $5,127,100. The remaining funds would be used for the GPR share of the JOBS program, the Children First program and the food stamp employment and training program through December, 1997.

IMPLEMENTATION OF THE W-2 PROGRAM

If this request is approved, the W-2 program could be implemented under current law provisions. It is estimated that funding transferred to the appropriation for W-2 administration and benefits would be sufficient for the program through the first several months of calendar year 1998. If a biennial budget bill is not enacted, the Department has indicated that it will review program expenditures in January, 1998, to determine if additional transfers are necessary.

If this request is not approved, it is unclear if sufficient funding would be available for the W-2 program without passage of a budget bill. It is possible that the federal government would allow the use of federal funds without a proportionate share of state funds for some expenditures for a short period of time. However, the federal government would probably not allow this to occur on an ongoing basis. If funding is not transferred under this request and a biennial budget bill is not enacted, the state could incur sanctions, including interest charges, for not complying with federal regulations. [redacted]

As mentioned, approval of this request would allow DWD to implement the W-2 program under the provisions of current law. Various versions of the 1997-99 budget bill include modifications to the W-2 program, such as changes regarding the eligibility criteria for child care and the cash benefit amounts for community service jobs and transitional placements. Most of these changes cannot be implemented by the Department without passage of a budget bill or other legislation.

ALTERNATIVES

1. Approve the Department's request to transfer $121,011,600 GPR in 1997-98 to the appropriation for W-2 benefits and administration [20.445(3)(dz)] from the following three appropriations for the AFDC program to allow for the implementation of W-2:

a. $84,420,300 from the appropriation for income maintenance payments to individuals [20.445(3)(d)].

b. $14,350,600 from the appropriation for county income maintenance administration [20.445(3)(de)].

c. $22,240,700 from the appropriation for employment programs; aids [20.445(3)(df)].

2. Deny the request.

Prepared by: Joanne Simpson

MO# Alt 1(a)(b)(c)

1 BURKE	Y	N	A
DECKER	Y	N	A
GEORGE	Y	N	A
JAUCH	Y	N	A
WINEKE	Y	N	A
SHIBILSKI	Y	N	A
COWLES	Y	N	A
PANZER	Y	N	A
2 JENSEN	Y	N	A
OURADA	Y	N	A
HARSDORF	Y	N	A
ALBERS	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
LINTON	Y	N	A
COGGS	Y	N	A

AYE 14 NO 1 ABS 1

SEN. BRIAN B. BURKE CO-CHAIR
JOINT COMMITTEE ON FINANCE
119 M. LUTHER KING JR. BLVD.
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JOINT COMMITTEE ON FINANCE

AGENDA

10:00 a.m., Tuesday, August 26, 1997
s. 13.10 Meeting
on the First Floor of 119 Martin Luther King, Jr. Blvd.

I. Higher Educational Aids Board -- Valorie T. Olson, Executive Secretary

II. Department of Workforce Development -- Jean Rogers, Division Administrator, Division of Economic Support

Sen. Brian Burke

STATE OF WISCONSIN

SENATE CHAIR
BRIAN BURKE

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JOINT COMMITTEE ON FINANCE

Date: August 13, 1997

To: The Members
The Joint Committee on Finance

From: Dan Caucutt, s.13.10 Secretary

Re: Date Change For Special s.13.10 Meeting

The co-chairs have changed the date of the special meeting under s.13.10 (originally scheduled for August 19) to instead be one week later – Tuesday, August 26th, at 10:00 a.m. The agenda (which has one item for HEAB and one for DWD) and all materials from the Department of Administration are attached. You will receive analyses from the Legislative Fiscal Bureau at a later date. Please mark your calendars with the new date and time.

cc: Bob Lang
Affected Agency Heads

STATE OF WISCONSIN

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JOINT COMMITTEE ON FINANCE

Date: June 6, 1997

To: State Agency Heads

From: Senator Brian Burke, Co-Chair
Representative Scott Jensen, Co-Chair
Joint Committee on Finance

Subject: June Meeting of the Joint Committee on Finance under s. 13.10

The Joint Committee on Finance has tentatively scheduled its next quarterly meeting under s. 13.10 for 11:00 a.m., Friday, June 20, 1997, on the First Floor of 119 Martin Luther King, Jr. Blvd. A status summary of the committee's GPR supplemental appropriation is attached.

All agency requests and reports for consideration at the meeting should be addressed to the Joint Committee on Finance Co-Chairs. Send two copies of all requests and reports directly to the Joint Committee on Finance Co-Chairs, two copies of all requests and reports directly to the Legislative Fiscal Bureau, and the **original plus 40 copies** to the attention of Dan Caucutt, the committee's secretary for s. 13.10 actions, in the Division of Executive Budget and Finance, 10th Floor, Administration Building, 101 E. Wilson Street.

As previously communicated to agencies informally by the Department of Administration, the deadline for agency requests is 4:00 p.m., Monday, June 9, 1997.

Requests should indicate who will represent the agency at the meeting, and it is suggested that this general format be followed as requests are prepared:

Brief Summary of Request
Background of Request
How Request Meets Statutory Criteria [see s. 13.101(3) and (4)]

cc: Agency Budget Contacts
Bob Lang

JOINT COMMITTEE ON FINANCE APPROPRIATION SUMMARY
[Updated through May 7, 1997]

	1995-96	1996-97	1995-97 Biennium
Biennial Appropriation Amount [s. 20.865(4)(a)]	**$11,821,600**	**$34,647,000**	**$46,468,600**
Reserved For:			
H&SS -- CARES Computer System for Econ. Support Progs.	$1,587,000	$1,796,600	$3,383,600
H&SS -- KIDS Computer System for Child Support Enforcement	5,759,200	7,522,100	13,281,300
H&SS -- AFDC Consolidated Child Care	870,900	885,700	1,756,600
H&SS -- Child Care Administration	60,300	65,800	126,100
H&SS -- AFDC Self-Initiated Child Care	76,400	63,600	140,000
WCC -- Minimum Wage Increases	150,000	0	150,000
WI Institute for School Executives Payments	125,000	125,000	250,000
H&SS -- Community Options Program Data Collection	50,000	0	50,000
H&SS -- Self Suffic. First/Pay for Perf. Waivers (Act 12)	2,337,000	2,986,600	5,323,600
H&SS -- W2 Implementation (Act 289)	0	13,000,000	13,000,000
DOC -- Intergovernmental Corrections (Act 416)	0	2,073,800	2,073,800
DOC -- Intensive Sanctions (Act 416)	0	937,900	937,900
DOC -- Secure Work Program (Act 416)	0	183,800	183,800
Milwaukee County Child Welfare Services (Act 303)	0	4,051,400	4,051,400
Public Land Sales Reserve	453,600	602,500	1,056,100
Sub-total Reserved Balance	$11,469,400	$34,294,800	$45,764,200
Releases from Reserved Balance			
KIDS Computer System for Child Support Enforcement (10/26/95)	$2,316,400	$0	$2,316,400
Self Suffic. First/Pay For Perf. Waivers (12/12/95)	2,274,300	2,986,600	5,260,900
H&SS -- Community Options Program Data Collection (4/16/96)	0	50,000	50,000
H&SS -- Self Suffic. First/Pay for Perf. Waivers (4/16/96)	0	62,700	62,700
WI Institute for School Executives Payments (4/16/96)	250,000	0	250,000
DILHR -- KIDS Computer System (6/27/96)	0	4,303,200	4,303,200
DHFS -- TPR Prosecution in Milwaukee Co. (Act 303) (6/27/96)	0	430,200	430,200
DOC -- Intergovernmental Corrections (9/26/96)	0	2,073,800	2,073,800
DOC -- Intensive Sanctions (9/26/96)	0	937,900	937,900
WCC -- Minimum Wage Increases (9/26/95)	0	150,000	150,000
H&FS -- Public Land Sales Release (12/16/96)	0	279,300	279,300
H&IFS -- Milwaukee County child Welare Services (12/16/96)	0	1,795,100	1,795,100
DWD -- KIDS Computer System (12/16/96)	0	6,405,700	6,405,700
UW -- Public Land Sales Release (12/16/96)	0	132,300	132,300
Public Defender -- Private Bar (2/12/97) [from W2 funds]	0	2,335,700	2,335,700
DOC -- Secure Work Program (3/27/97)	0	80,400	80,400
DHFS -- Public Land Sales (3/27/97)	0	156,000	156,000
Total Releases	$4,840,700	$22,178,900	$27,019,600
Remaining Reserved Balance	**$6,628,700**	**$12,115,900**	**$18,744,600**
Net Unreserved Balance Available	**$352,200**	**$352,200**	**$704,400**
Releases from Unreserved Balance			
Judicial Commission-Judicial Council Meeting Expense (12/12/95)	$10,000	$10,000	$20,000
UW System/UW-Extension Pay Plan Funding (12/12/95)	56,900	0	56,900
H&SS -- COP Data Collection (4/16/96)	0	137,300	137,300
HEAB -- Academic Excellence Scholarships (4/16/96)	85,400	0	85,400
DPI -- HEAB Secretary Project Position (6/27/96)	0	78,900	78,900
Courts -- Court Interpreter Reimbursement (7/10/96)	27,000	17,700	44,700
DOJ -- Legal Expenses (12/16/96)	0	92,800	92,800
DOJ -- Legal Expenses (3/27/97)	0	306,200	306,200
HEAB -- Academic Excellence Scholarships (3/27/97)	0	67,600	67,600
Total Releases	$179,300	$710,500	$889,800
Transfers to Committee's Appropriation			
From DHSS s.20.435(2)(b) (6/27/96)	$0	$518,600	$518,600
From DOC s.20.410(1)(a) (6/27/96)	$0	$104,700	$104,700
Net Unreserved Balance Remaining	**$172,900**	**$265,000**	**$437,900**
TOTAL AVAILABLE **(Net Reserved & Unreserved Balance Remaining)**	**$6,801,600**	**$12,380,900**	**$19,182,500**

SEN. BRIAN B. BURKE, CO-CHAIR
JOINT COMMITTEE ON FINANCE
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STATE OF WISCONSI

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JOINT COMMITTEE ON FINANCE

Date: July 23, 1997

To: The Members
The Joint Committee on Finance

From: Dan Caucutt, s.13.10 Secretary

Re: Special August Meeting

The co-chairs have set the time of a special meeting under s.13.10 for Tuesday, August 19, at 11:00 AM to consider HEAB's proposed renewal of the Minnesota-Wisconsin Student Reciprocity Agreement. This item was requested and then withdrawn from the March s. 13.10 agenda. You will receive analyses from the Department of Administration and the Legislative Fiscal Bureau prior to the meeting on the 19th.

cc: Bob Lang

JOINT COMMITTEE ON FINANCE APPROPRIATION SUMMARY
[reflecting Committee actions through June 20, 1997]

	1995-96	1996-97	1995-97 Biennium
Current Biennial Appropriation Amount [s. 20.865(4)(a)] (see att. summary)	**$11,820,566**	**$35,778,942**	**$47,599,508**
Reserved For:			
H&SS -- CARES Computer System for Econ. Support Progs. (Act 27)	$1,587,000	$1,796,600	$3,383,600
H&SS -- KIDS Computer System for Child Support Enforcement (Act 27)	5,759,200	7,522,100	13,281,300
H&SS -- AFDC Consolidated Child Care (Act 27)	870,900	885,700	1,756,600
H&SS -- Child Care Administration (Act 27)	60,300	65,800	126,100
H&SS -- AFDC Self-Initiated Child Care (Act 27)	76,400	63,600	140,000
WCC -- Minimum Wage Increases (Act 27)	150,000	0	150,000
WI Institute for School Executives Payments (Act 27)	125,000	125,000	250,000
H&SS -- Community Options Program Data Collection (Act 27)	50,000	0	50,000
H&SS -- Self Suffic. First/Pay for Performance Waiver Progs (Act 12)	2,337,000	2,986,600	5,323,600
H&SS -- W2 Implementation (Act 289)	0	13,000,000	13,000,000
DOC -- Intergovernmental Corrections (Act 416)	0	2,073,800	2,073,800
DOC -- Intensive Sanctions (Act 416)	0	937,900	937,900
DOC -- Secure Work Program (Act 416)	0	183,800	183,800
Milwaukee County Child Welfare Services (Act 303)	0	4,051,400	4,051,400
Public Land Sales Reserve (see attached summary sheet)	452,566	1,111,142	1,563,708
Sub-total Reserved Balance	$11,468,366	$34,803,442	$46,271,808
Releases from Reserved Balance			
KIDS Computer System for Child Support Enforcement (10/26/95)	$2,316,400	$0	$2,316,400
Self Sufficiency First/Pay for Performance Waiver Programs (12/12/95)	2,274,300	2,986,600	5,260,900
H&SS -- Community Options Program Data Collection (4/16/96)	0	50,000	50,000
H&SS -- Self Suffic. First/Pay for Perf. Waiver Progs (4/16/96)	0	62,700	62,700
WI Institute for School Executives Payments (4/16/96)	250,000	0	250,000
DILHR -- KIDS Computer System (6/27/96)	0	4,303,200	4,303,200
DHFS -- TPR Prosecution in Milwaukee County - Act 303 (6/27/96)		430,200	430,200
DOC -- Intergovernmental Corrections (9/26/96)	0	2,073,800	2,073,800
DOC -- Intensive Sanctions (9/26/96)	0	937,900	937,900
WCC -- Minimum Wage Increases (9/26/96)	0	150,000	150,000
H&FS -- Public Land Sales Release (12/16/96)	0	279,300	279,300
H&FS -- Milwaukee County Child Welfare Services (12/16/96)	0	1,795,100	1,795,100
DWD -- KIDS Computer System (12/16/96)	0	6,405,700	6,405,700
UW -- Public Land Sales Release (12/16/96)	0	132,300	132,300
Public Defender -- Private Bar (2/12/97) [from W2 funds]	0	2,335,700	2,335,700
DOC -- Secure Work Program (3/27/97)	0	80,400	80,400
DHFS -- Public Land Sales Release (3/27/97)	0	156,000	156,000
Building Commission -- Public Land Sales Release (6/20/97)	0	780,000	780,000
DOC -- Public Land Sales Release (6/20/97)	0	131,200	131,200
Total Releases	$4,840,700	$23,090,100	$27,930,800
Remaining Reserved Balance	**$6,627,666**	**$11,713,342**	**$18,341,008**
Net Unreserved Balance Available	**$352,200**	**$975,500**	**$1,327,700**
Releases from Unreserved Balance			
Judicial Commission -- Judicial Council Meeting Expenses (12/12/95)	$10,000	$10,000	$20,000
UW System/UW-Extension Pay Plan Funding (12/12/95)	56,900	0	56,900
H&SS -- COP Data Collection (4/16/96)	0	137,300	137,300
HEAB -- Academic Excellence Scholarships (4/16/96)	85,400	0	85,400
DPI -- HEAB Secretary Project Position (6/27/96)	0	78,900	78,900
Courts -- Court Interpreter Reimbursement (7/10/96)	27,000	17,700	44,700
DOJ -- Legal Expenses (12/16/96)	0	92,800	92,800
DOJ -- Legal Expenses (3/27/97)	0	306,200	306,200
HEAB -- Academic Excellence Scholarships (3/27/97)	0	67,600	67,600
Total Releases	$179,300	$710,500	$889,800
Net Unreserved Balance Remaining	**$172,900**	**$265,000**	**$437,900**
TOTAL AVAILABLE (Net Reserved & Unreserved Balance Remaining)	**$6,800,566**	**$11,978,342**	**$18,778,908**

ATTACHMENT
Detail of Joint Finance Committee Appropriation Total

	1995-96	1996-97	1995-97 Biennium
865(4)(a) Appropriation Total Summary			
Act 27 (Biennial Budget)	$9,031,000	$10,811,000	$19,842,000
Act 12	2,337,000	2,986,600	5,323,600
Act 289	0	13,000,000	13,000,000
Act 303	0	4,051,400	4,051,400
Act 416	0	3,195,500	3,195,500
Transfer from DHFS appn. s. 20.435(2)(b) [6/27/96]	0	518,600	518,600
Transfer from DOC appn. s. 20.410(1)(a) [6/27/96]	0	104,700	104,700
Plus Receipts from Public Land Sales:			
DOC - Fond du Lac [6/6/96]	75,125	0	75,125
DOC - Deerfield [6/26/96]	102,971	0	102,971
DOC - Fond du Lac [6/26/96]	52,841	0	52,841
DHFS - Northern Center [6/26/96]	221,629	0	221,629
DHFS - Winnebago MHI [7/25/96]	0	50,612	50,612
DOC - Farm parcel [8/9/96]	0	89,322	89,322
DHFS - Winnebago MHI [8/9/96]	0	106,727	106,727
DHFS - Winnebago MHI [8/9/96]	0	312,562	312,562
DHFS - Mendota MHI [8/20/96]	0	286,325	286,325
DHFS - Oshkosh - Winnebago MHI	0	1,060	1,060
UW Milwaukee - Shephard House	0	264,534	264,534
Current Appropriation Total	$11,820,566	$35,778,942	$47,599,508