



2009 ASSEMBLY BILL 738

February 11, 2010 - Introduced by Representatives MURTHA, LEMAHIEU, NERISON, SPANBAUER, LOTHIAN, ROTH, A. OTT, VOS, TOWNSEND, SUDER, NYGREN and PETROWSKI, cosponsored by Senator GROTHMAN. Referred to Committee on Colleges and Universities.

1 **AN ACT** *to amend* 36.27 (1) (a) and 36.27 (1) (am) (intro.); and *to create* 36.27
2 (1) (ar) of the statutes; **relating to:** limiting nonallocable segregated fee and
3 resident tuition increases at the University of Wisconsin System.

Analysis by the Legislative Reference Bureau

Under current law the Board of Regents (board) of the University of Wisconsin (UW) System may not increase resident undergraduate tuition beyond an amount sufficient to fund all of the following: 1) in an odd-numbered year, the highest amount shown in the appropriation schedule for the tuition appropriation for that year in the Joint Committee of Finance version of the budget bill, the engrossed budget bill, or the enrolled budget bill; 2) in an even-numbered year, the amount shown in the appropriation schedule for the tuition appropriation; 3) the approved recommendations of the director of the Office of State Employment Relations for compensation and fringe benefits for staff; 4) projected losses of revenue caused by enrollment declines; 5) certain state-imposed costs; 6) nontraditional courses; and 7) differential tuition.

In addition to tuition, the board charges students segregated fees. Under board policies, there are two types of segregated fees: allocable and nonallocable. Allocable fees support campus student activities, such as student organizations, concerts, and lectures. Nonallocable fees support fixed obligations and programs that require stable funding, such as debt service, base operating funds for student unions, and student health services.

In fiscal years 2009-10, 2010-11, 2011-12, and 2012-13, this bill suspends the restrictions described above. Instead, the bill limits any increase in resident

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undergraduate tuition during those fiscal years to no more than 4 percent above the tuition in effect in the previous fiscal year. In addition, the bill limits any increase in total nonallocable segregated fees for resident and nonresident undergraduate students during those fiscal years to no more than 4 percent above the total nonallocable segregated fees in effect during the previous fiscal year. However, the bill provides an exception to the limit on increases for nonallocable segregated fees. If the undergraduate students enrolled at an institution of the UW System approve an increase in nonallocable segregated fees for a specified fiscal year that exceeds the foregoing limit, the board may increase nonallocable segregated fees for undergraduates at that institution for that fiscal year by the amount approved. For the exception to apply, more than 10 percent of the undergraduate students enrolled at an institution must vote to approve the increase. In addition, the ballot used in the referendum must do the following: 1) identify the amount of the increase and the fiscal years for which the increase applies; and 2) explain the reasons for the increase.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

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

1 **SECTION 1.** 36.27 (1) (a) of the statutes is amended to read:

2 36.27 (1) (a) Subject to pars. (am), (ar), (b), and (c), the board may establish for
3 different classes of students differing tuition and fees incidental to enrollment in
4 educational programs or use of facilities in the system. Except as otherwise provided
5 in this section, the board may charge any student who is not exempted by this section
6 a nonresident tuition. The board may establish special rates of tuition and fees for
7 the extension and summer sessions and such other studies or courses of instruction
8 as the board deems advisable.

9 **SECTION 2.** 36.27 (1) (am) (intro.) of the statutes is amended to read:

10 36.27 (1) (am) (intro.) The Except as provided in par. (ar), the board may not
11 increase academic fees for resident undergraduate students beyond an amount
12 sufficient to fund all of the following:

13 **SECTION 3.** 36.27 (1) (ar) of the statutes is created to read:

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1 36.27 (1) (ar) 1. In fiscal years 2009–10, 2010–11, 2011–12, and 2012–13, the
2 board may not do any of the following:

3 a. Increase academic fees for undergraduate students by more than 4 percent
4 above the academic fees in effect for the previous fiscal year.

5 b. Except as provided in subd. 2., increase the total nonallocable segregated
6 fees for undergraduate students by more than 4 percent above the total nonallocable
7 segregated fees in effect for the previous fiscal year.

8 2. If a majority of the undergraduate students enrolled in an institution who
9 vote in a referendum that is open only to undergraduate students approve an
10 increase in the total nonallocable segregated fees for undergraduate students for one
11 or more fiscal years by an amount greater than the maximum increase allowed in
12 subd. 1. b., the board may increase total nonallocable segregated fees for
13 undergraduate students at the institution for the fiscal year or years by the amount
14 approved in the referendum. This subdivision applies only if all of the following are
15 satisfied:

16 a. More than 10 percent of the undergraduate students enrolled in the
17 institution at the time of the referendum vote to approve the increase.

18 b. The ballot used in the referendum identifies the amount of the increase and
19 the fiscal year or years to which the increase applies and explains the reasons for the
20 increase.

21 (END)