



State of Wisconsin  
2023 - 2024 LEGISLATURE

LRB-2311/1  
JAM:wlj

## 2023 SENATE BILL 161

April 3, 2023 - Introduced by Senators STAFSHOLT, BALLWEG, COWLES, JAMES, L. JOHNSON, LARSON, MARKLEIN, PFAFF, ROYS, SMITH and SPREITZER, cosponsored by Representatives ZIMMERMAN, BEHNKE, BROOKS, DALLMAN, EDMING, GREEN, MAGNAFICI, MURSAU, OLDENBURG, SUMMERFIELD, WICHGERS, WITTKE and ROZAR. Referred to Committee on Universities and Revenue.

1     **AN ACT** *to amend* 20.235 (1) (e) (title), 20.285 (1) (gb), 39.42, 39.47 (title), 39.47  
2           (1), 39.47 (2), 45.20 (2) (a) 1., 45.20 (2) (c) 1., 45.20 (2) (d) 1. (intro.), 71.05 (6) (b)  
3           28. (intro.) and 321.40 (1) (c) 2.; and *to create* 36.27 (2r) of the statutes;  
4           **relating to:** the Minnesota-Wisconsin tuition reciprocity agreement and  
5           making an appropriation.

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### *Analysis by the Legislative Reference Bureau*

Under current law, the Higher Educational Aids Board administers and has authority to renegotiate the Minnesota-Wisconsin tuition reciprocity agreement. The agreement provides for the waiver of nonresident tuition for residents of either state who are enrolled in public vocational schools and for a reciprocal fee structure for residents of either state who are enrolled in public institutions of higher education located in the other state.

This bill requires the University of Wisconsin System to enter into, administer, and renegotiate with Minnesota a tuition reciprocity agreement that provides for the waiver of nonresident tuition and for a reciprocal fee structure for residents of either state who are enrolled in public institutions of higher education located in the other state. The bill requires that all the tuition paid by Minnesota students attending UW institutions under the agreement, including tuition commonly referred to as differential reciprocity tuition, be credited to a UW System appropriation account from which UW System expenditures are authorized. The bill requires the Board of Regents to ensure that each institution is allocated the amounts received under the

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tuition reciprocity agreement in proportion to the total amount each institution charged its students with Minnesota residence in tuition and fees.

This bill also requires HEAB to enter into, administer, and renegotiate with Minnesota a fee reciprocity agreement that provides for the waiver of nonresident fees for residents of either state who are enrolled in public vocational schools in the other state.

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

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

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

2           20.235 (1) (e) (title) *Minnesota-Wisconsin public vocational school student*  
3 *reciprocity agreement.*

4           **SECTION 2.** 20.285 (1) (gb) of the statutes is amended to read:

5           20.285 (1) (gb) *General program operations.* All moneys received from the  
6 operation of educational programs and related programs and as earnings from  
7 investments under s. 36.11 (11m) to carry out the purposes for which received,  
8 including the transfer of funds to par. (gj), and for payment of any reimbursement  
9 obligation under s. 36.27 (2r) (e). In each fiscal year, the Board of Regents shall  
10 transfer no more than \$30,338,500 from this appropriation account to the medical  
11 assistance trust fund.

12           **SECTION 3.** 36.27 (2r) of the statutes is created to read:

13           36.27 (2r) MINNESOTA-UNIVERSITY OF WISCONSIN SYSTEM STUDENT RECIPROCITY  
14 AGREEMENT. (a) There is established, to be administered by the board, a  
15 Minnesota-University of Wisconsin System student reciprocity agreement, the  
16 purpose of which shall be to ensure that neither state shall profit at the expense of  
17 the other and that the determination of any amounts owed by either state under the  
18 agreement shall be based on an equitable formula that reflects the educational costs

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1 incurred by the 2 states, reflects any differentials in usage by residents of either state  
2 of the public institutions of higher education located in the other state, and reflects  
3 any differentials in the resident tuition charged at comparable public institutions of  
4 higher education of the 2 states. The board, representing this state, shall enter into  
5 an agreement meeting the requirements of this subsection with the designated body  
6 representing the state of Minnesota.

7 (b) The agreement under this subsection shall provide for the waiver of  
8 nonresident tuition for residents of either state who are enrolled in public  
9 institutions of higher education located in the other state. The agreement shall also  
10 establish a reciprocal fee structure for residents of either state who are enrolled in  
11 public institutions of higher education located in the other state. The reciprocal fee  
12 may not exceed the higher of the resident tuition that would be charged the student  
13 at the public institution of higher education in which the student is enrolled or the  
14 resident tuition that would be charged the student at comparable public institutions  
15 of higher education located in the student's state of residence, as specified in the  
16 annual administrative memorandum under par. (c). The agreement is subject to the  
17 approval of the joint committee on finance.

18 (c) Prior to each academic year, the board and the designated body representing  
19 the state of Minnesota shall prepare an administrative memorandum that  
20 establishes policies and procedures for implementation of the agreement for the  
21 upcoming academic year, including a description of how the reciprocal fee structure  
22 shall be determined for purposes of par. (b), and the board shall submit the  
23 administrative memorandum to the joint committee on finance. If the  
24 cochairpersons of the committee do not notify the board that the committee has  
25 scheduled a meeting for the purpose of reviewing the administrative memorandum

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1 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  
3 days after the date of the submittal, the cochairpersons of the committee notify the  
4 board that the committee has scheduled a meeting for the purpose of reviewing the  
5 administrative memorandum, the administrative memorandum may be  
6 implemented only upon approval of the committee.

7 (d) No resident of this state whose name appears on the statewide support lien  
8 docket under s. 49.854 (2) (b) may receive a waiver of nonresident tuition under this  
9 subsection unless the resident provides to the board a payment agreement that has  
10 been approved by the county child support agency under s. 59.53 (5) and that is  
11 consistent with rules promulgated under s. 49.858 (2) (a).

12 (e) At the end of each semester or academic term, the board and the designated  
13 body representing the state of Minnesota shall determine the number of students for  
14 whom nonresident tuition has been waived under the agreement. The board and the  
15 designated body representing the state of Minnesota shall certify to each other, in  
16 addition to the number of students so determined, the aggregate amount of its  
17 reimbursement obligation. The entity with the larger reimbursement obligation  
18 shall pay as provided in the agreement an amount determined by subtracting the  
19 reimbursement obligation of the entity with the smaller reimbursement obligation  
20 from the reimbursement obligation of the entity with the larger reimbursement  
21 obligation. The agreement shall provide a reasonable date for payment of any such  
22 sums due and owing, after which date interest may be charged on the amount owed.  
23 The methodology for determination of the appropriate interest rate shall be included  
24 in the agreement. All tuition and fees received by this state under this subsection

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1 and any net obligations received under this paragraph shall be credited to the  
2 appropriation account under s. 20.285 (1) (gb).

3 (f) In allocating funding for each institution under s. 36.09 (1) (h), the board  
4 shall ensure that each institution is allocated the amounts received pursuant to par.  
5 (e) in proportion to the total amount each institution charged its students with  
6 Minnesota residence in tuition and fees under the agreement under this subsection.

7 **SECTION 4.** 39.42 of the statutes is amended to read:

8 **39.42 Interstate agreements.** The board, with the approval of the joint  
9 committee on finance, or the governing boards of any publicly supported institution  
10 of post-high school education, with the approval of the board and the joint committee  
11 on finance, may enter into agreements or understandings which include remission  
12 of nonresident tuition for designated categories of students at state institutions of  
13 higher education with appropriate state agencies and institutions of higher  
14 education in other states to facilitate use of public higher education institutions of  
15 this state and other states. Such agreements and understandings shall have as their  
16 purpose the mutual improvement of educational advantages for residents of this  
17 state and such other states or institutions of other states with which agreements are  
18 made. This section does not apply to the agreement under s. 36.27 (2r).

19 **SECTION 5.** 39.47 (title) of the statutes is amended to read:

20 **39.47 (title) Minnesota-Wisconsin public vocational school student**  
21 **reciprocity agreement.**

22 **SECTION 6.** 39.47 (1) of the statutes is amended to read:

23 39.47 (1) There is established, to be administered by the board, a  
24 Minnesota-Wisconsin public vocational school student reciprocity agreement, ~~the~~  
25 ~~purpose of which shall be to ensure that neither state shall profit at the expense of~~

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1 ~~the other and that the determination of any amounts owed by either state under the~~  
2 ~~agreement shall be based on an equitable formula which reflects the educational~~  
3 ~~costs incurred by the 2 states, reflects any differentials in usage by residents of either~~  
4 ~~state of the public institutions of higher education located in the other state, and~~  
5 ~~reflects any differentials in the resident tuition charged at comparable public~~  
6 ~~institutions of higher education of the 2 states. The board, representing this state,~~  
7 ~~shall enter into an agreement meeting the requirements of this section with the~~  
8 ~~designated body representing the state of Minnesota.~~

9 **SECTION 7.** 39.47 (2) of the statutes is amended to read:

10 39.47 (2) The agreement under this section shall provide for the waiver of  
11 nonresident tuition fees for a resident of either state who is enrolled in a public  
12 vocational school located in the other state. ~~The agreement shall also establish a~~  
13 ~~reciprocal fee structure for residents of either state who are enrolled in public~~  
14 ~~institutions of higher education, other than vocational schools, located in the other~~  
15 ~~state. The reciprocal fee may not exceed the higher of the resident tuition fees that~~  
16 ~~would be charged the student at the public institution of higher education vocational~~  
17 ~~school in which the student is enrolled or the resident tuition fees that would be~~  
18 ~~charged the student at a comparable public institutions of higher education~~  
19 ~~vocational school located in his or her state of residence, as specified in the annual~~  
20 ~~administrative memorandum under sub. (2g). The agreement shall take effect on~~  
21 ~~July 1, 2007. The agreement is subject to the approval of the joint committee on~~  
22 ~~finance under s. 39.42.~~

23 **SECTION 8.** 45.20 (2) (a) 1. of the statutes is amended to read:

24 45.20 (2) (a) 1. The department shall administer a tuition reimbursement  
25 program for eligible veterans enrolling as undergraduates in any institution of

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1 higher education in this state, enrolling in a school that is approved under s. 45.03  
2 (11), enrolling in a proprietary school that is approved under s. 440.52, enrolling in  
3 a public or private high school, enrolling in a tribal school, as defined in s. 115.001  
4 (15m), in any grade from 9 to 12, or receiving a waiver of nonresident tuition under  
5 s. 36.27 (2r) or 39.47.

6 **SECTION 9.** 45.20 (2) (c) 1. of the statutes is amended to read:

7 45.20 (2) (c) 1. A veteran who meets the eligibility requirements under par. (b)  
8 1. may be reimbursed upon satisfactory completion of an undergraduate semester in  
9 any institution of higher education in this state, or upon satisfactory completion of  
10 a course at any school that is approved under s. 45.03 (11), any proprietary school  
11 that is approved under s. 440.52, any public or private high school, any tribal school,  
12 as defined in s. 115.001 (15m), that operates any grade from 9 to 12, or any institution  
13 from which the veteran receives a waiver of nonresident tuition under s. 36.27 (2r)  
14 or 39.47. Except as provided in par. (e), the amount of reimbursement may not exceed  
15 the total cost of the veteran's tuition minus any grants or scholarships that the  
16 veteran receives specifically for the payment of the tuition, or, if the tuition is for an  
17 undergraduate semester in any institution of higher education, the standard cost of  
18 tuition for a state resident for an equivalent undergraduate semester at the  
19 University of Wisconsin-Madison, whichever is less.

20 **SECTION 10.** 45.20 (2) (d) 1. (intro.) of the statutes is amended to read:

21 45.20 (2) (d) 1. (intro.) Subject to subd. 1m., a veteran's eligibility for  
22 reimbursement under this subsection at any institution of higher education in this  
23 state, at a school that is approved under s. 45.03 (11), at a proprietary school that is  
24 approved under s. 440.52, at a public or private high school, at a tribal school, as  
25 defined in s. 115.001 (15m), that operates any grade from 9 to 12, or at an institution

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1 where he or she is receiving a waiver of nonresident tuition under s. 36.27 (2r) or  
2 39.47 is limited to the following:

3 **SECTION 11.** 71.05 (6) (b) 28. (intro.) of the statutes is amended to read:

4 71.05 (6) (b) 28. (intro.) An amount paid by a claimant for tuition expenses and  
5 mandatory student fees for a student who is the claimant or who is the claimant's  
6 child and the claimant's dependent, as defined under section 152 of the Internal  
7 Revenue Code, to attend any university, college, technical college or a school  
8 approved under s. 440.52, that is located in Wisconsin or to attend a public vocational  
9 school or public institution of higher education in Minnesota under the  
10 ~~Minnesota-Wisconsin~~ a reciprocity agreement under s. 36.27 (2r) or 39.47,  
11 calculated as follows:

12 **SECTION 12.** 321.40 (1) (c) 2. of the statutes is amended to read:

13 321.40 (1) (c) 2. A public institution of higher education under the  
14 ~~Minnesota-Wisconsin~~ Minnesota-University of Wisconsin System student  
15 reciprocity agreement under s. 36.27 (2r) or a public vocational school under the  
16 Minnesota-Wisconsin public vocational school reciprocity agreement under s. 39.47.

17 **SECTION 13. Nonstatutory provisions.**

18 (1) MINNESOTA-WISCONSIN TUITION RECIPROCITY AGREEMENT. The higher  
19 educational aids board shall provide to the designated body representing the state  
20 of Minnesota notice of the termination of the agreement under s. 39.47, 2021 stats.,  
21 with the agreement's termination to become effective on July 1, 2023. The higher  
22 educational aids board and the Board of Regents of the University of Wisconsin  
23 System shall negotiate new agreements to replace the agreement under s. 39.47,  
24 2021 stats., with these new agreements to become effective on July 1, 2023.



**SENATE BILL 161****SECTION 14**

1           **SECTION 14. Effective dates.** This act takes effect on the day after publication,  
2           except as follows:

3           (1) **MINNESOTA-WISCONSIN TUITION RECIPROCALITY AGREEMENTS.** The treatment of  
4           ss. 20.235 (1) (e), 20.285 (1) (gb), 36.27 (2r), 39.42, 39.47 (title), (1), and (2), 45.20 (2)  
5           (a) 1., (c) 1., and (d) 1. (intro.), 71.05 (6) (b) 28. (intro.), and 321.40 (1) (c) 2. takes effect  
6           on July 1, 2023.

7

**(END)**