



State of Wisconsin  
2021 - 2022 LEGISLATURE

LRB-0367/P2  
JAM:wlj&kjf

DOA:.....Mott, BB0082 - Changes to Minnesota-Wisconsin Reciprocity Agreement

**FOR 2021-2023 BUDGET -- NOT READY FOR INTRODUCTION**

**AN ACT ...; relating to:** the budget.

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*Analysis by the Legislative Reference Bureau*

**EDUCATION**

**HIGHER EDUCATION**

***Changes to Minnesota-Wisconsin Reciprocity Agreement***

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 UW 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. This 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.

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.

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

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

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

\*\*\*NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

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

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

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

**36.27 (2r) MINNESOTA-UNIVERSITY OF WISCONSIN SYSTEM STUDENT RECIPROCITY AGREEMENT.** (a) There is established, to be administered by the board, a Minnesota-University of Wisconsin System student reciprocity agreement, the purpose of which shall be 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 that reflects the educational costs incurred by the 2 states, reflects any differentials in usage by residents of either state of the public institutions of higher education located in the other state, and reflects

any differentials in the resident tuition charged at comparable public institutions of higher education of the 2 states. The board, representing this state, shall enter into an agreement meeting the requirements of this subsection with the designated body representing the state of Minnesota.

(b) The agreement under this subsection shall provide for the waiver of nonresident tuition for residents of either state who are enrolled in public institutions of higher education located in the other state. The agreement shall also establish a reciprocal fee structure for residents of either state who are enrolled in public institutions of higher education located in the other state. The reciprocal fee may not exceed 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 the student's state of residence, as specified in the annual administrative memorandum under par. (c). The agreement is subject to the approval of the joint committee on finance.

(c) Prior to each academic year, the board and the designated body representing the state of Minnesota shall prepare an administrative memorandum that establishes policies and procedures for implementation of the agreement for the upcoming academic year, including a description of how the reciprocal fee structure shall be determined for purposes of par. (b), and the board shall submit the administrative memorandum to the joint committee on finance. If the cochairpersons of the committee do not notify the board that the committee has scheduled a meeting for the purpose of reviewing the administrative memorandum within 14 working days after the date of the submittal, the administrative memorandum may be implemented as proposed by the board. If, within 14 working

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

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

(e) At the end of each semester or academic term, each state shall determine the number of students for whom nonresident tuition has been waived under the agreement. Each state shall certify to the other state, in addition to the number of students so determined, the aggregate amount of its reimbursement obligation. The state with the larger reimbursement obligation shall pay as provided in the agreement an amount determined by subtracting the reimbursement obligation of the state with the smaller reimbursement obligation from the reimbursement obligation of the state with the larger reimbursement obligation. The agreement shall provide a reasonable date for payment of any such sums due and owing, after which date interest may be charged on the amount owed. The methodology for determination of the appropriate interest rate shall be included in the agreement. All tuition and fees received by this state under this subsection and any net obligations received under this paragraph shall be credited to the appropriation account under s. 20.285 (1) (gb).

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

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

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

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

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

39.47 (1) There is established, to be administered by the board, a Minnesota-Wisconsin public vocational school student reciprocity agreement, ~~the purpose of which shall be 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 2 states, reflects any differentials in usage by residents of either state of the public institutions of higher education located in the other state, and reflects any differentials in the resident tuition charged at comparable public institutions of higher education of the 2 states.~~ The board, representing this state,

shall enter into an agreement meeting the requirements of this section with the designated body representing the state of Minnesota.

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

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

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

45.20 (2) (a) 1. The department shall administer a tuition reimbursement program for eligible veterans enrolling as undergraduates in any institution of higher education in this state, enrolling in a school that is approved under s. 45.03 (11), enrolling in a proprietary school that is approved under s. 440.52, enrolling in a public or private high school, enrolling in a tribal school, as defined in s. 115.001 (15m), in any grade from 9 to 12, or receiving a waiver of nonresident tuition under s. 36.27 (2r) or 39.47.

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

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

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

45.20 (2) (d) 1. (intro.) Subject to subd. 1m., a veteran's eligibility for reimbursement under this subsection at any institution of higher education in this state, at a school that is approved under s. 45.03 (11), at a proprietary school that is approved under s. 440.52, at a public or private high school, at a tribal school, as defined in s. 115.001 (15m), that operates any grade from 9 to 12, or at an institution where he or she is receiving a waiver of nonresident tuition under s. 36.27 (2r) or 39.47 is limited to the following:

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

71.05 (6) (b) 28. (intro.) An amount paid by a claimant for tuition expenses and mandatory student fees for a student who is the claimant or who is the claimant's child and the claimant's dependent, as defined under section 152 of the Internal

Revenue Code, to attend any university, college, technical college or a school approved under s. 440.52, that is located in Wisconsin or to attend a public vocational school or public institution of higher education in Minnesota under the ~~Minnesota-Wisconsin~~ a reciprocity agreement under s. 36.27 (2r) or 39.47, calculated as follows:

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

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

**SECTION 9120. Nonstatutory provisions; Higher Educational Aids Board.**

(1) MINNESOTA-WISCONSIN TUITION RECIPROcity AGREEMENT. The higher educational aids board shall provide to the designated body representing the state of Minnesota notice of the termination of the agreement under s. 39.47, 2019 stats., with the agreement's termination to become effective on July 1, 2022. The higher educational aids board and the Board of Regents of the University of Wisconsin System shall negotiate new agreements to replace the agreement under s. 39.47, 2019 stats., with these new agreements to become effective on July 1, 2022.

**SECTION 9420. Effective dates; Higher Educational Aids Board.**

(1) MINNESOTA-WISCONSIN TUITION RECIPROcity AGREEMENTS. The treatment of ss. 20.235 (1) (e), 20.285 (1) (gb), 36.27 (2r), 39.42, 39.47 (title), (1), and (2), 45.20 (2) (a) 1., (c) 1., and (d) 1. (intro.), 71.05 (6) (b) 28. (intro.), and 321.40 (1) (c) 2. takes effect on July 1, 2022.

(END)