



State of Wisconsin
2011 - 2012 LEGISLATURE



LRB-1159/1
GMM:nwn:jf

2011 ASSEMBLY BILL 141

May 17, 2011 - Introduced by JOINT LEGISLATIVE COUNCIL. Referred to Committee on Colleges and Universities.

1 **AN ACT** *to amend* 20.235 (1) (e), 39.435 (8), 39.47 (2g) and 39.47 (3); *to repeal*
2 *and recreate* 39.47 (2g); and *to create* 20.235 (1) (kr) and 39.47 (4) of the
3 statutes; **relating to:** the Minnesota-Wisconsin student reciprocity
4 agreement, the Wisconsin higher education grant program, and making an
5 appropriation.

Analysis by the Legislative Reference Bureau

This bill is explained in the NOTES provided by the Joint Legislative Council in the bill.

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:

JOINT LEGISLATIVE COUNCIL PREFATORY NOTE: This bill was prepared for the Joint Legislative Council's Special Committee on Review of Higher Education Financial Aid Programs.

Under the terms of the current Minnesota-Wisconsin student reciprocity agreement, Wisconsin students who attend a public institution of higher education in Minnesota are charged tuition at a rate equivalent to the cost of resident tuition at that Minnesota institution of higher education. However, the tuition charged to a Wisconsin

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student attending a public institution of higher education in Minnesota is paid through a combination of payments from the student and the state of Wisconsin. The Wisconsin student pays an amount equivalent to the resident tuition that student would be charged if he or she attended a comparable institution of higher education in Wisconsin, and the state of Wisconsin pays an amount equal to the difference between Minnesota resident tuition and Wisconsin resident tuition (reciprocity supplement).

This bill requires each student participating in the reciprocity program to pay the higher of the resident tuition in the student's home state or the resident tuition in his or her state of attendance and prohibits the payment of a reciprocity supplement by the state of Wisconsin. Accordingly, under the bill the full cost of resident tuition for a Wisconsin student attending a public institution of higher education in Minnesota is paid by the student. The bill first applies to the administrative memorandum prepared after the effective date of the bill, for students who initially enroll under the reciprocity agreement after the effective date of the bill. The bill applies to all students enrolled under the reciprocity agreement under the administrative memorandum prepared on or after the first day of the 37th month beginning after publication of the bill.

Often, under the reciprocity agreement, the amount of tuition paid by Minnesota students exceeds the resident tuition charged by the University of Wisconsin (UW) System. Accordingly, UW System institutions collect more tuition revenue from Minnesota residents than would otherwise be paid by Wisconsin residents. The amount of tuition in excess of the comparable tuition for Wisconsin residents is classified as "GPR-Earned" and deposited in the state's general fund.

This bill requires the amount of any tuition differential received by the UW System under the Minnesota-Wisconsin student reciprocity agreement to be credited to an appropriation for the Wisconsin higher education grant for UW System students, after accounting for any remaining payments made by Wisconsin to Minnesota under the reciprocity agreement.

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

2 20.235 (1) (e) *Minnesota-Wisconsin student reciprocity agreement.* A sum
3 sufficient for the purposes of s. 39.47, if any obligation under s. 39.47 remains after
4 payments from the appropriation account under par. (kr).

NOTE: This SECTION modifies the current sum sufficient appropriation for the Minnesota-Wisconsin student reciprocity agreement. As amended, this appropriation would apply only if the amount owed by Wisconsin to Minnesota under the reciprocity agreement exceeded the amount of money generated by the tuition differential under s. 39.47 (4), as created by this bill.

5 **SECTION 2.** 20.235 (1) (kr) of the statutes is created to read:

6 20.235 (1) (kr) *Minnesota-Wisconsin student reciprocity agreement; Wisconsin*
7 *higher education grants; University of Wisconsin System students.* All moneys
8 received under s. 39.47 (4) for the purposes of s. 39.47 and, if any moneys remain after
9 payment for those purposes, the remainder for the purposes of s. 39.435 (8).

NOTE: This SECTION specifies that the amount of the tuition differential under s. 39.47 (4), as created by this bill, shall first be used to pay any obligations under the

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Minnesota-Wisconsin student reciprocity agreement. Remaining moneys from the tuition differential shall be appropriated for the Wisconsin higher education grant for UW System students.

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

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

5 **SECTION 4.** 39.47 (2g) of the statutes is amended to read:

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

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1 within 14 working days after the date of the submittal, the cochairpersons of the
2 committee notify the board that the committee has scheduled a meeting for the
3 purpose of reviewing the administrative memorandum, the administrative
4 memorandum may be implemented only upon approval of the committee.

NOTE: This SECTION requires the reciprocal fee under the Minnesota-Wisconsin student reciprocity agreement to be the higher of the resident tuition that would be charged the student at the public institution of higher education in which the student is enrolled or the resident tuition that would be charged the student at comparable public institutions of higher education located in his or her state of residence. This SECTION also prohibits HEAB from paying a reciprocity supplement on behalf of a Wisconsin resident. This SECTION applies only to students who initially enroll after the effective date of this SECTION, which is the day after the bill is published.

5 **SECTION 5.** 39.47 (2g) of the statutes, as affected by 2011 Wisconsin Act (this
6 act), is repealed and recreated to read:

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

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1 memorandum within 14 working days after the date of the submittal, the
2 administrative memorandum may be implemented as proposed by the board. If,
3 within 14 working days after the date of the submittal, the cochairpersons of the
4 committee notify the board that the committee has scheduled a meeting for the
5 purpose of reviewing the administrative memorandum, the administrative
6 memorandum may be implemented only upon approval of the committee.

NOTE: This SECTION requires the reciprocal fee under the Minnesota-Wisconsin student reciprocity agreement to be the higher of the resident tuition that would be charged the student at the public institution of higher education in which the student is enrolled or the resident tuition that would be charged the student at comparable public institutions of higher education located in his or her state of residence. This SECTION also prohibits HEAB from paying a reciprocity supplement on behalf of a Wisconsin resident. This SECTION applies to all students, and to an administrative memorandum prepared, on or after the first day of the 37th month beginning after publication of the bill.

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

8 39.47 (3) At the end of each semester or academic term, each state shall
9 determine the number of students for whom nonresident tuition has been waived
10 under the agreement. Each state shall certify to the other state, in addition to the
11 number of students so determined, the aggregate amount of its reimbursement
12 obligation. The state with the larger reimbursement obligation shall pay as provided
13 in the agreement an amount determined by subtracting the reimbursement
14 obligation of the state with the smaller reimbursement obligation from the
15 reimbursement obligation of the state with the larger reimbursement obligation.
16 The agreement shall provide a reasonable date for payment of any such sums due
17 and owing, after which date interest may be charged on the amount owed. The
18 methodology for determination of the appropriate interest rate shall be included in
19 the agreement. Any Except as provided in sub. (4), payments received by this state
20 under this subsection shall be deposited in the general fund.

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

