



SHANNON ZIMMERMAN

STATE REPRESENTATIVE • 30th ASSEMBLY DISTRICT

Assembly Bill 140

Assembly Committee on Colleges and Universities

June 8, 2023

Thank you Chairman Murphy and committee members for hearing testimony on Assembly Bill 140 today. This legislation addresses Wisconsin-Minnesota tuition reciprocity for colleges and universities. AB 140 would require that any differential tuition earned by any UW System institution be returned to that institution. Differential tuition is the difference between what a Minnesota student pays to attend a Wisconsin institution and what a Wisconsin student would pay to attend that same institution. Today, this differential tuition is being deposited into the state's general fund.

This is a simplified explanation as there is an agreement reached between the states that lays out the details of the tuition reciprocity agreement. The intent of the reciprocity agreement is that neither state profits. Currently, the Higher Education Aids Board (HEAB) negotiates these deals with their counterparts in Minnesota. The proposal before you would move this responsibility to the UW System authority for public institutions of higher education as well as address how the differential tuition is handled. While vocational schools in both states do not currently charge out of state tuition, HEAB would maintain their authority to negotiate a reciprocity agreement should that change.

Changing the way these tuition funds are allocated will have a significant impact on many UW System institutions. Specifically, in my area, UW River Falls would benefit to the tune of over \$4 million based on the current agreement in place.

While the reciprocity agreement carries implications for all Wisconsin higher education institutions, the legislation makes no changes to institutions outside of the UW System.

Thank you again for your time and attention to this proposal and I hope I can count on your support of this measure as we move forward.



ROB STAFSHOLT

STATE SENATOR • 10th SENATE DISTRICT

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P.O. Box 7882
Madison, WI 53707-7882

TO: Assembly Committee on Colleges and Universities
FROM: Senator Rob Stafsholt
DATE: June 8th, 2023
SUBJECT: Testimony in Favor of Assembly Bill 140.

Thank you Chairman Murphy and members of the Assembly Committee on Colleges and Universities for allowing me to submit testimony in favor of Assembly Bill 140.

Under current law, the Higher Education Aids Board (HEAB) is required to negotiate a tuition reciprocity agreement with the State of Minnesota. That agreement is subject to Joint Finance Committee (JFC) passive review.

At their respective schools, Minnesota and Wisconsin students pay the higher of the two tuition rates. Due to the undergraduate tuition freeze in Wisconsin for the past 8 years, the rate is typically the Minnesota undergraduate rate for both Wisconsin students that attend Minnesota schools and Minnesota students that attend Wisconsin schools. The difference in tuition paid by Minnesota students is not retained by individual campuses or UW System. It is deposited into the state's General Fund, where a part of it is sent back to Minnesota based on a 50-year-old formula that calculates liabilities between the two states.

This bill retains the Minnesota-Wisconsin Tuition Reciprocity Agreement and subsequent JFC passive review, but makes two major changes. The proposal transfers negotiating authority from HEAB to UW System. The individual UW System campuses are the ones impacted by this agreement and UW System should be the ones to negotiate its provisions. The proposal also allows individual campuses to retain the differential tuition earned from Minnesota residents.

Thank you, members. I ask for your support and would be happy to meet with you to address any concerns or answer any questions about this bill.



Assembly Committee on Colleges and Universities Hearing June 8, 2023

UW-River Falls (UWRF) Testimony - Assembly Bill 140

The Minnesota-Wisconsin tuition reciprocity agreement

Thank you, Chair Murphy and members for holding a hearing on AB 140 today. This legislation is incredibly important. I'd also like to thank the bill authors who represent River Falls, Rep. Zimmerman and Rep. Petryk, Sen. Smith and Sen. Stafsholt for their leadership on ensuring this legislation was re-introduced.

I am UW-River Falls Chancellor Maria Gallo. UW-River Falls is the western-most campus of the UW System, located in one of the state's most dynamic and thriving regions, the St. Croix Valley. We are one of the fastest growing parts of the state and benefit from eastward expansion of a thriving metropolitan area with over 3.6 million people. Our campus enrolls over 5,000 students a year and is a magnet for signature programs, attracting primarily Wisconsin and Minnesota students in fields that are valuable to the economic growth of our region. Over 99% of our graduates report being employed or going on to professional or graduate schools after leaving UWRF. We are perfectly positioned to act as a net importer of talent for the region and state, while also continuing to provide a high-quality education to our Wisconsin students as we have for nearly 150 years.

The Minnesota-Wisconsin tuition reciprocity agreement has been benefitting students on both sides of the border since the 1970s. UW-River Falls serves those students well, providing an excellent education and connecting them with employers in the region, hoping to retain them in Wisconsin after graduation. Yet, UW-River Falls and the other UWS campuses that educate Minnesota students are not allowed to retain the difference in tuition that a Minnesota student pays. That revenue is deposited into the state's general fund. Part of it goes back to Minnesota and the rest remains in the general fund for uses unrelated to higher education.

The proposed legislation, AB 140, will solve this problem by allowing individual campuses to retain the extra tuition that Minnesota residents pay when they attend our universities. Based on 2021-22 data, UW-River Falls enrolled almost 43% of its students from Minnesota, meaning we lost over \$4.3 million in earned revenue because of the current, outdated reciprocity mechanism. That is revenue that could have been reinvested in UWRF, meeting student demands and filling regional employer needs. That revenue would allow us to offer more innovative, high-quality programming for our students, add advisers and support student success, and increase hands-on collaboration opportunities with local employers.

Many of you on this committee know how important campuses like UW-River Falls are to our regions and to the state. UW-River Falls has been specializing in new fields based on strong student and employer demand such as agricultural engineering and environmental engineering; biomedical and health sciences; neuroscience; data science and predictive analytics; and Montessori education. We are also excited to bring additional innovation and business collaboration to the region and cement our identity as a leader in STEM, through the Science and Technology Innovation Center that has been supported by the legislature. Being able to access the full amount of revenue from tuition paid by the Minnesota students we educate will make it possible for us to continue investing in the innovative programs and delivering the high-quality education that the state and our students expect. As employers in our region look to us to help them fill their workforce and talent needs, UW-River Falls is uniquely poised to be a part of the solution, with our access to the large and diverse student market in the Twin Cities – but we will only be effective if we are able to fully capitalize on and reinvest the revenue we raise through the Minnesota-Wisconsin tuition reciprocity arrangement.

We hope that you will support AB 140 and in doing so, support campuses like UW-River Falls whose value to the state at this time in history cannot be underestimated.



WISCONSIN
UNIVERSITY OF WISCONSIN-MADISON

Assembly Committee on Colleges & Universities
2023 Assembly Bill 140

Changes to the Minnesota-Wisconsin Tuition Reciprocity Agreement

June 8, 2023

Chairman Murphy and members of the Assembly Committee on Colleges & Universities:

Thank you for the opportunity to submit testimony in support of Assembly Bill 140, relating to the Minnesota-Wisconsin Tuition Reciprocity Agreement. We also want to thank Senator Stafsholt and Representative Zimmerman for advancing this important legislation.

The Minnesota-Wisconsin Tuition Reciprocity Agreement was first established in the 1970s and provides the opportunity for Wisconsin residents to attend Minnesota schools without paying out-of-state tuition. It also affords Minnesota residents the same opportunity to attend Wisconsin campuses at a reduced rate, and many UW System campuses continue to benefit from the number of Minnesota students that attend our institutions. Under current law, the Agreement is negotiated by the Higher Education Aids Board (HEAB) on behalf of the State of Wisconsin and is subject to passive review by the Joint Finance Committee.

At their respective schools, Minnesota and Wisconsin students pay the higher of the two state tuition rates. Due to the undergraduate tuition freeze in Wisconsin for the past 9 years, the rate is typically the Minnesota undergraduate rate for both Wisconsin students that attend Minnesota schools and Minnesota students that attend Wisconsin schools.

The difference in tuition paid by Minnesota students is not retained by individual campuses or UW System. Instead, it is deposited into the Wisconsin General Fund, where part of it is sent back to Minnesota under a complicated formula. At UW-Madison, approximately \$13.6 million in tuition paid by Minnesota students for the 2021-22 academic year was sent back to the General Fund rather than being retained by UW-Madison, as would typically be the case with any other non-resident student.

Assembly Bill 140 makes two changes to existing law: first, it allows the individual campuses to retain the differential tuition generated from Minnesota residents. Second, the tuition reciprocity agreement would be negotiated by the University of Wisconsin System, rather than the Higher Education Aids Board. The legislation makes no changes to the legislative oversight or JFC passive review process.

This bill would generate additional revenue for UW System campuses by simply allowing each campus to retain all of the tuition dollars paid by Minnesota students on that campus. The changes in this bill would have a meaningful positive impact on campus budgets. Transferring negotiating authority to the University of Wisconsin System would be appropriate, as its institutions are the ones directly impacted by the provisions of the agreement. It's important to note that the changes outlined in the legislation would not result in any family from Wisconsin paying more for their education.

Thank you for the opportunity to submit testimony on the impact this legislation would have on UW-Madison. If you have any questions, please reach out to UW-Madison Senior Director of State Relations Crystal Potts (crystal.potts@wisc.edu; 608-265-4105).

July 8, 2013

Chairman Murphy and members of the Assembly Committee on Colleges & Universities
Thank you for the opportunity to submit testimony in support of Assembly Bill 140 relating to
the Minnesota-Wisconsin Tuition Reciprocity Agreement. We also want to thank Senator
Stabholz and Representative Zimmerman for advancing the important legislation.
The Minnesota-Wisconsin Tuition Reciprocity Agreement was first established in the 1970s and
provides the opportunity for Wisconsin residents to attend Minnesota schools without paying
out-of-state tuition. It also allows Minnesota residents the same opportunity to attend Wisconsin
campuses at a reduced rate, and many UW System campuses continue to benefit from the
number of Minnesota students that attend our institutions. Under current law, the Agreement is
negotiated by the Higher Education Aids Board (HEAB) on behalf of the State of Wisconsin and
is subject to passive review by the Joint Finance Committee.
At their respective schools, Minnesota and Wisconsin students pay the higher of the two state
tuition rates. Due to the intergenerational tuition taxes in Wisconsin for the past 9 years, the rate is
typically the Minnesota undergraduate rate for both Wisconsin students that attend Minnesota
schools and Minnesota students that attend Wisconsin schools.
The difference in tuition paid by Minnesota students is not retained by individual campuses in
UW System. Instead, it is deposited into the Wisconsin General Fund, where part of it is sent
back to Minnesota under a complicated formula. At UW-Madison, approximately \$1.3 million
in tuition paid by Minnesota students for the 2011-12 academic year was sent back to the
General Fund rather than being retained by UW-Madison, as would typically be the case with
any other non-resident student.



Assembly Committee on Colleges and Universities Hearing June 8, 2023

Assembly Bill 140

Under the Minnesota-Wisconsin tuition reciprocity agreement, Minnesota residents can attend UW System schools without paying nonresident tuition and vice versa. Many of the UW System universities, including the University of Wisconsin-Milwaukee, benefit from the number of Minnesota students that attend our campuses. Those students are often retained to the State of Wisconsin based on the internships they experience, jobs they obtain post-graduation, and lifelong friendships made. UW-Milwaukee is also well positioned to recruit graduate and PhD students from Minnesota to our world-class research programs.

Under the current law, the difference in tuition paid by Minnesota students is not retained by individual universities or UW System. Wisconsin law requires tuition paid by Minnesota students in excess of the Wisconsin resident tuition rate be deposited in the state of Wisconsin's general fund. Funds paid by those students are not returned to the universities that serve them.

In many fields, especially STEM and health, the true cost per student to provide the educational program is more than resident tuition rates. For Wisconsin resident students, state appropriations contribute to funding educational costs, and for students from other states, tuition rates are substantially more than resident rates. But, for Minnesota students, UW institutions must provide education solely at very low resident rates with no additional assistance to cover true costs.

UW-Milwaukee supports AB 140 because it allows UW System to work directly with its counterpart in Minnesota to negotiate tuition reciprocity while maintaining Joint Committee on Finance oversight. The proposal also allows for individual universities to retain the differential tuition earned from Minnesota residents. For UW-Milwaukee that amount would have been around \$500,000 annually over the last several years. Students and their families would not see a change to their tuition bill, but the university would benefit by using those dollars to directly serve our students.

UW-Milwaukee uniquely serves the state of Wisconsin retaining 82% of our alums to Wisconsin. Recent graduates on average earn salaries near \$60,000 and thrive in many important economic sectors. Eighty-six percent (86%) of UW-Milwaukee graduates go into health and human services, STEM, computer science and business-related fields. We also offer degrees in emerging fields like Freshwater Science, populate many police forces across the state, and graduate entrepreneurs who start small businesses, among other strengths. Ninety-one percent (91%) of our alums are working or continuing their education post-graduation.

Thank you to Chair Murphy and members of the committee for holding this important hearing today. I would attend this important hearing in-person today to provide this important testimony but am hosting the Board of Regents meeting so I'm sending UW-Milwaukee's support in writing.

Submitted by: Chancellor Mark Mone

MINNESOTA TUITION RECIPROCITY

Under the Minnesota-Wisconsin tuition reciprocity agreement, Minnesota (MN) residents can attend UW System (UWS) schools without paying nonresident tuition and vice versa. Instead, the student pays the higher of the resident tuition charged at the university of attendance or the tuition at a comparable university in their home state.

Current Policy

MN families pay MN's higher tuition level, but UWS universities do not receive the full MN tuition amount. Instead, they receive tuition equal to the Wisconsin (WI) in-state tuition rate. For example, a MN student paid approximately \$14,979 in tuition/fees at UW-Madison in 2021-22, but the campus only received \$10,720. The remainder (\$4,259) is retained in the WI general fund.

A share of the remaining funds is returned to MN based on a formula agreed to in the MN-WI Higher Education Reciprocity Agreement. For many years, WI has paid MN, because MN's tuition is higher. UW System schools are in effect penalized for having a lower tuition.

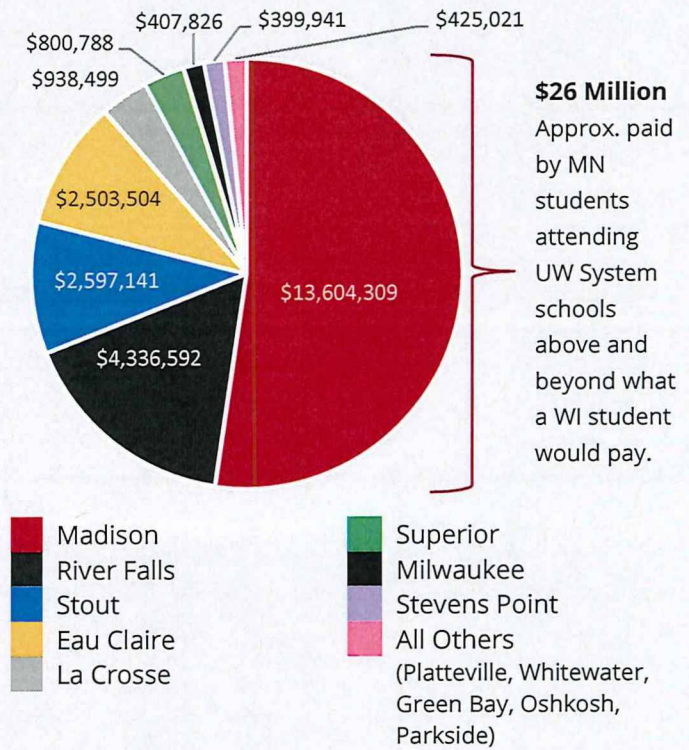
Under current law, the WI Higher Educational Aids Board (HEAB) and the MN Office of Higher Education (MOHE) jointly administer and have authority to renegotiate the agreement. In WI, changes to the agreement must be approved by the Joint Committee on Finance (JFC). In MN, changes are approved by the Minnesota State Colleges and Universities Board of Trustees and the University of Minnesota Board of Regents.

Requested Changes (AB 140/SB 161)

1. Require the UWS 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 agreement will retain JFC approval.

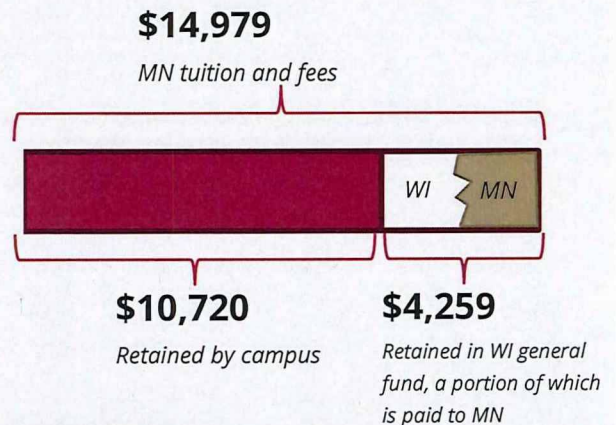
2. Require that all tuition paid by Minnesota students attending UWS universities under the agreement, including tuition commonly referred to as differential reciprocity tuition, be credited to a UWS appropriation account to be distributed to the corresponding campus.

UW System Tuition Differential Earned, 2021-22



UWSA, Policy Analysis and Research

WI Tuition per MN Student Example*, 2021-22



*Example based on UW-Madison



Office of Government Relations

Van Hise Hall
1220 Linden Drive
Madison, WI 53706
www.wisconsin.edu

DATE: June 8, 2023

TO: Members of the Assembly Committee on Colleges and Universities

FROM: UW System Office of Government Relations

RE: Written Testimony in Support of Assembly Bill 140

Thank you, Chair Murphy and committee members, for providing UW System (UWS) an opportunity to submit testimony in support of Assembly Bill 140 (AB 140). This legislation provides UWS the ability to maximize our cooperative relationship with Minnesota regarding tuition reciprocity.

Under current statutes, the Minnesota-Wisconsin Higher Education Reciprocity Agreement is administered jointly by the Minnesota Office of Higher Education (MOHE) and the Wisconsin Higher Educational Aids Board (HEAB). Under this agreement, Minnesota residents can attend a UWS school without paying the nonresident tuition rate and Wisconsin residents can take advantage of the same opportunity.

Since Minnesota's in-state tuition has been higher than Wisconsin's in recent years, both Minnesota and Wisconsin residents pay the Minnesota tuition rate to the university they attend. Wisconsin law requires tuition paid by Minnesota students in excess of the Wisconsin resident tuition rate to be deposited in the state of Wisconsin's general fund. A portion of that funding is then returned as payment to the state of Minnesota.

This bill will allow UWS to enter, administer, and renegotiate with Minnesota a tuition reciprocity agreement. The bill also credits the differential tuition to UWS. These funds will be used to pay any balance owed to Minnesota and then distributed to the campuses based on enrollment of Minnesota students.

This legislation will have a significant, positive impact for our campuses. It will allow schools to retain more of the tuition dollars that they earn and invest those dollars in educating the students on campus. The legislation will also allow UWS to renegotiate the 50-year-old agreement between Minnesota and Wisconsin to ensure that the agreement is effectively serving the students of Wisconsin. The Legislature will still have final say over any agreement through the Joint Finance Committee (JFC) passive review process.

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This legislation is an easy way for the legislature to support our campuses without any increased costs borne by taxpayers. The additional revenue is generated by Minnesota students who have recognized the value of UWS schools and have chosen Wisconsin as the place to live and learn.

We thank Representative Zimmerman and Senator Stafsholt for authoring this legislation and the bipartisan list of cosponsors to the bill. Thank you again for the opportunity to provide testimony in support of this legislation.