

State of Wisconsin

SENATE CHAIR
Howard Marklein

316 East, State Capitol
P.O. Box 7882
Madison, WI 53707-7882
Phone: (608) 266-0703



ASSEMBLY CHAIR
Mark Born

308 East, State Capitol
P.O. Box 8592
Madison, WI 53708-8953
Phone: (608) 266-2540

Joint Committee on Finance

MEMORANDUM

To: Members
Joint Committee on Finance

From: Senator Howard Marklein
Representative Mark Born

Date: June 10, 2024

Re: 14-Day Passive Review Approval – HEAB

Pursuant to s. 39.47(2g), Stats., attached is a 14-day passive review request from the State of Wisconsin Higher Educational Aids Board, received on June 10, 2024.

Please review the material and notify **Senator Marklein** or **Representative Born** no later than **Thursday, June 27, 2024**, if you have any concerns about the request or if you would like the Committee to meet formally to consider it.

Also, please contact us if you need further information.

Attachments

HM:MB:jm



State of Wisconsin Higher Educational Aids Board

Tony Evers
Governor

P.O. Box 7885
Madison, WI 53707-7885

Telephone: (608) 267-2206
Fax: (608) 267-2808

E-Mail: HEABmail@wisconsin.gov

Web Page: <http://heab.wisconsin.gov>

June 5, 2024

Joint Finance Committee
Received Jun 10 2024

The Honorable Senator Howard L. Marklein, Co-Chair
The Honorable Representative Mark Born, Co-Chair
Joint Committee on Finance
State Capitol
Madison, WI 53702

Re: Administrative Memoranda for the Minnesota-Wisconsin Interstate Tuition Reciprocity Program

Dear Senator Marklein, Representative Born, and Members:

I have attached the 2022-23 and 2023-24 Minnesota-Wisconsin Interstate Tuition Reciprocity Program Annual Administrative Memoranda, between the State of Wisconsin Higher Educational Aids Board (HEAB) and the Minnesota Office of Higher Education.

Pursuant to Sections 39.47(2g) and 36.27(2r) of the Wisconsin Statutes, HEAB and the University of Wisconsin System are required to submit these memoranda to the Joint Committee on Finance for its approval. These memoranda outline the administrative procedures for the program, including the application process, the procedure for computing interstate reimbursement, and tuition-related information. Furthermore, the memoranda reflect the terms of a mediated settlement between the Minnesota Office of Higher Education and the University of Wisconsin System related to calculation of the applied cost differential, as memorialized by the mediator, the National Center for Higher Education Management Systems (NCHEMS), in a memorandum dated July 11, 2023.

Finally, HEAB and the University of Wisconsin System are currently engaged in implementing the transition of responsibility for the reciprocity program with respect to institutions of higher education from HEAB to the University of Wisconsin System, as directed by the legislature in 2023 Wisconsin Act 104. As such, any reimbursement payment associated with the 2022-23 memorandum will be paid out of HEAB's appropriation, Section 20.235(1)(e), and any reimbursement payment associated with the 2023-24 memorandum will be paid out of the University of Wisconsin System appropriation, Section 20.285(1)(gb).

Please contact me if you have any questions and thank you for your attention to this matter.

Sincerely,

DocuSigned by:

Sherrie Nelson

47FBA1592FD6424...

Sherrie Nelson, Administrative Policy Advisor
State of Wisconsin Higher Educational Aids Board

DocuSigned by:

Jay Rothman

BDB7CE3D09FC48D...

Jay Rothman, President
University of Wisconsin System, on behalf of the State of Wisconsin Board of Regents

Cc: Senator Duey Stroebel
Senator Mary Felzkowski
Senator Joan Ballweg
Senator Patrick Testin
Senator Eric Wimberger
Senator LaTonya Johnson
Senator Kelda Roys

Representative Terry Katsma
Representative Shannon Zimmerman
Representative Jessie Rodriguez
Representative Tony Kurtz
Representative Alex A. Dallman
Representative Tip McGuire
Representative Deb Andraca

Attachments

2022-2023
MINNESOTA-WISCONSIN
INTERSTATE TUITION RECIPROCITY PROGRAM
ANNUAL ADMINISTRATIVE MEMORANDUM

PURPOSE

This administrative memorandum has been prepared to implement the statutory authority and the formal interstate agreement negotiated between the two states and to specify administrative procedures of the program.

DURATION OF THE AGREEMENT AND PROCEDURES FOR MODIFICATION

This memorandum is subject to the principles and conditions of the Minnesota-Wisconsin Public Higher Education Reciprocity Agreement (“Agreement”) and is effective July 1, 2022 – June 30, 2023. The memorandum is subject to annual review and update by the Minnesota Office of Higher Education (“OHE”) and the Wisconsin Higher Educational Aids Board (“HEAB”), collectively the “administering agencies.”

ADMINISTRATIVE PROCEDURES

To ensure procedural regularity and compatibility, the administering agencies have agreed to the following procedures:

1. Public Information

After formal adoption of the memorandum, the executive from each agency will direct a detailed written communication regarding the administration of the program to the institutions of post-secondary education, all secondary schools, and other interested individuals and organizations in their respective state. Prior to the start of each academic year, if the administering agencies agree it is necessary, the administering agencies will cooperatively develop and implement training workshops for personnel from participating institutions of higher education.

2. Application Form

A common application and procedure will be used by students in both states. All students from each state will complete the same application and submit it to the respective administering agency in their home states, regardless of whether they are a new student or a continuing student. The application must require general and institutional information. This application will provide reciprocity for the student in continuous attendance; should the student not attend an institution under the reciprocity agreement for 365 days, the student must reapply for reciprocity. Should a change in the student's residence occur, the student and/or the institution must send written notification to the administering agency in the state in which the student and/or institution is located.

3. Residency

The administering agency in the student’s home state will determine residency based on the information provided by the student during the application process. The agency reserves the right to refuse eligibility if the information provided by the student does not substantiate the claim of residency.

4. Approval and Certification Year

Once eligibility is determined, it continues through the academic year for which certification has been granted. Should a student's residency status change during the academic year, the home state's responsibility to that student will cease upon the commencement of the first term following the establishment of the student's residency in another state. The certification year begins with the Fall term of each academic year and ends after the last Summer session or workshop which begins before the first day of the Fall term of the succeeding academic year. The student that is in attendance and has earned credits during the 2022-2023 academic year will automatically have reciprocity benefits renewed for the 2023-2024 academic year unless notification of a change in residency has been received by the student's home state administering agency.

5. Application Deadline

Applications must be postmarked or electronically submitted no later than the last day of scheduled classes of the first term for which the student expects to receive benefits under the Agreement. Eligibility shall continue for the remainder of the certification year. The administering agencies will cooperate in a mutual exchange of academic calendar information.

6. Coordinative Procedures

Periodically throughout the certification year, the administering agencies will exchange alphabetical listings of all residents of their respective states who are participating in the reciprocity program. The administering agencies will also provide alphabetical listings of their state's residents eligible for participation in the Agreement to the designated institutions of post-secondary education in the other state. The transfer of this data may be done in an electronic format.

7. Institutional Monitoring

Each administering agency will be responsible for monitoring institutions in its home state for compliance with the provisions and spirit of the Agreement and this memorandum.

PROCEDURE FOR COMPUTATION OF INTERSTATE REIMBURSEMENT

1. Definition of Terms

Unless defined herein, terminology used in the computation of the net state interstate reimbursement is described in the Agreement. If not stated in either place, terms are given definitions according to their normal industry usage. The following terms are defined for the purposes of this memorandum:

- a. **Instructional Cost – the sum of all the operating expenses associated with the colleges, schools, departments, and other instructional divisions of the institution and for departmental research and public service that are not separately budgeted. This would include compensation for academic instruction, occupational and vocational instruction, community education, preparatory and adult basic education, and remedial and tutorial instruction**

- conducted by the teaching faculty for the institution's students.
- b. Variable Costs – as defined in the Agreement, further clarified that variable costs include all instructional costs that are not fixed costs.**
- c. Cost Differential –** the manner in which the Variable Cost per Credit Hour is operationalized. For 2022-2023, it is the 2021-2022 value for each student/institutional category listed in the table attached as Exhibit A, multiplied by 1.0500418, the Higher Education Cost Adjustment Index.
- d. Eligible Credit Hours – included only costs of programs under the Agreement and noted in this memorandum.**
- e. Marginal Cost Factor – 64 percent of the variable costs.**
- f. Variable Cost per Credit Hour –** a calculation made by dividing the Variable Costs by the eligible credit hours in the current academic year. The result is referred to as the Cost Differential, as defined in this memorandum.
- g. Marginal Cost – the Variable Cost per Credit Hour multiplied by the Marginal Cost Factor.**

2. Student Categories

The following categories of institutions and associated instructional costs will be used to determine the net state interstate reimbursement obligation:

a. Undergraduate students

- i.** Undergraduate students enrolled at the University of Wisconsin-Madison, the University of Minnesota-Twin Cities, the University of Minnesota-Morris, and the University of Minnesota-Rochester.
- ii.** Undergraduate students enrolled at the University of Wisconsin-Milwaukee and the University of Minnesota-Duluth.
- iii.** Undergraduate students enrolled at the University of Wisconsin Comprehensive institutions, the Minnesota State Universities four-year campuses, and the University of Minnesota-Crookston.
- iv.** Undergraduate students enrolled at the University of Wisconsin System branch campuses and the Minnesota State Colleges two-year campuses.

b. Graduate students

- i.** Graduate students enrolled at the University of Wisconsin-Madison and the University of Minnesota-Twin Cities.
- ii.** Graduate students enrolled at the University of Wisconsin-Milwaukee and the University of Minnesota-Duluth.
- iii.** Graduate students enrolled at the University of Wisconsin Comprehensive institutions and the Minnesota State Universities four-year campuses.

c. Professional students

- i.** Law students enrolled at the University of Wisconsin-Madison and the University of Minnesota-Twin Cities.
- ii.** Pharm D students enrolled at the University of Wisconsin-Madison and the University of Minnesota-Twin Cities and University of Minnesota-Duluth.

3. Reciprocity Tuition

Institutions covered under this memorandum will charge the following reciprocity tuition rates to students who are determined eligible to receive tuition reciprocity benefits during the 2022-2023 academic year. Tuition rates charged to students shall be based on the terms of the Agreement, hereby incorporated. For reciprocity purposes, tuition rates will remain consistent during the academic year, starting with the fall semester and going through the following summer term.

In no case shall a student counted under the memorandum be charged more than the regular non-resident tuition.

Consistent with this memorandum's treatment of other forms of direct and indirect student aid, students enrolled in courses, programs, and/or institutions that do not charge a nonresident tuition rate but charge a tuition rate other than the resident rate to all students enrolled in a course or program shall not be eligible, nor shall they be counted under this memorandum.

Graduate students who receive a tuition waiver as a benefit of employment at the institution shall be eligible and counted under the memorandum. The tuition reported by the institution to the administering agency shall be the reciprocity tuition rate for the graduate students at that institution.

Eligible students enrolled in professional academic programs not available in their home state will be charged the resident tuition of the school attended.

a. Undergraduate students

UW-MADISON (per semester term / per semester credit)

Minnesota students enrolled at UW-Madison will be charged the higher of the UW-Madison or UM-Twin Cities undergraduate resident tuition rates. The tuition structure and banding mechanism in place at the institution attended will apply.

UM-TWIN CITIES (per semester term / per semester credit)

Wisconsin students enrolled at UM-Twin Cities will be charged the higher of the UW-Madison or UM-Twin Cities undergraduate resident tuition rates. The tuition structure and banding mechanism in place at the institution attended will apply.

UM-MORRIS and UM-ROCHESTER (per semester term / per semester credit)

Wisconsin students enrolled at UM-Morris or UM-Rochester will be charged the higher of the UM institution attending or UW-Madison undergraduate resident tuition rates. The tuition structure and banding mechanism in place at the institution attended will apply.

UW-MILWAUKEE (per semester term / per semester credit)

Minnesota students enrolled at UW-Milwaukee will be charged the higher of the

UW-Milwaukee or UM-Duluth undergraduate resident tuition rates. The tuition structure and banding mechanism in place at the institution attended will apply.

UM-DULUTH (per semester term / per semester credit)

Wisconsin students enrolled at UM-Duluth will be charged the higher of the UW-Milwaukee or UM-Duluth undergraduate resident tuition rates. The tuition structure and banding mechanism in place at the institution attended will apply.

UNIVERSITY OF WISCONSIN COMPREHENSIVE INSTITUTIONS (per semester term / per semester credit)

Minnesota students enrolled at one of the UW Comprehensive Institutions will be charged the higher of the weighted average of the undergraduate resident tuition rates for Minnesota State Universities four-year campuses / UM-Crookston or the undergraduate resident tuition rate at the UW Comprehensive Institution they are attending. The tuition structure and banding mechanism in place at the institution attended will apply.

MINNESOTA STATE UNIVERSITIES FOUR-YEAR CAMPUSES / UM-CROOKSTON (per semester term / per semester credit)

Wisconsin students enrolled at a Minnesota State University four-year campus or UM-Crookston will be charged the higher of the weighted average of the undergraduate resident tuition rates for UW Comprehensive Institutions or the undergraduate resident tuition rate at the Minnesota State Universities four-year campus / UM-Crookston institution they are attending. The tuition structure and banding mechanism in place at the institution attended will apply.

UNIVERSITY OF WISCONSIN SYSTEM BRANCH CAMPUSES (per semester term / per semester credit)

Minnesota students enrolled at one of the UW System Branch Campuses will be charged the higher of the weighted average of the undergraduate resident tuition rates for Minnesota State Colleges two-year campuses or the undergraduate resident tuition rate at the UW System Branch Campus they are attending. The tuition structure and banding mechanism in place at the institution attended will apply.

MINNESOTA STATE COLLEGES TWO-YEAR CAMPUSES (per semester term / per semester credit)

Wisconsin students enrolled at a Minnesota State Colleges two-year campus will be charged the higher of the weighted average of the undergraduate resident tuition rates for UW System Branch Campuses or the undergraduate resident tuition rate at the Minnesota State Colleges two-year campus they are attending. The tuition structure and banding mechanism in place at the institution attended will apply.

WISCONSIN TECHNICAL COLLEGES (per semester term / per semester credit)

Minnesota students enrolled at one of the Wisconsin Technical Colleges will be charged the Wisconsin Technical College undergraduate resident tuition rate.

MINNESOTA STATE STAND-ALONE TECHNICAL COLLEGES (per semester term / per semester credit)

Wisconsin students enrolled at a Minnesota State stand-alone Technical College will be charged the Minnesota State stand-alone Technical College undergraduate resident tuition rate.

b. Graduate students

UW-MADISON (per semester term / per semester credit)

Graduate Rate

Minnesota students enrolled at UW-Madison will be charged the higher of the UW-Madison or UM-Twin Cities graduate resident tuition rates. The tuition structure and banding mechanism in place at the institution attended will apply.

Business Masters Rate

Minnesota students enrolled at UW-Madison will be charged the higher of the UW-Madison or UM-Twin Cities business masters resident tuition rates. The tuition structure and banding mechanism in place at the institution attended will apply.

UM-TWIN CITIES (per semester term / per semester credit)

Graduate Rate

Wisconsin students enrolled at UM-Twin Cities will be charged the higher of the UW-Madison or UM-Twin Cities graduate resident tuition rates. The tuition structure and banding mechanism in place at the institution attended will apply.

Business Masters Rate

Wisconsin students enrolled at UM-Twin Cities will be charged the higher of the UW-Madison or UM-Twin Cities business masters resident tuition rates. The tuition structure and banding mechanism in place at the institution attended will apply.

UW-MILWAUKEE (per semester term / per semester credit)

Graduate Rate

Minnesota students enrolled at UW-Milwaukee will be charged the higher of the UW-Milwaukee or UM-Duluth graduate resident tuition rates. The tuition structure and banding mechanism in place at the institution attended will apply.

Business Masters Rate

Minnesota students enrolled at UW-Milwaukee will be charged the higher of the UW-Milwaukee or UM-Duluth business masters resident tuition rates. The tuition structure and banding mechanism in place at the institution attended will apply.

UM-DULUTH (per semester term / per semester credit)

Graduate Rate

Wisconsin students enrolled at UM-Duluth will be charged the higher of the UW-Milwaukee or UM-Duluth graduate resident tuition rates. The tuition structure and banding mechanism in place at the institution attended will apply.

Business Masters Rate

Wisconsin students enrolled at UM-Duluth will be charged the higher of the UW-Milwaukee or UM-Duluth business masters resident tuition rates. The tuition structure and banding mechanism in place at the institution attended will apply.

UNIVERSITY OF WISCONSIN COMPREHENSIVE INSTITUTIONS (per semester term / per semester credit)**Graduate Rate**

Minnesota students enrolled at one of the UW Comprehensive Institutions will be charged the higher of the weighted average of the graduate resident tuition rates for Minnesota State Universities four-year campuses or the graduate resident tuition rate at the UW Comprehensive Institution they are attending. The tuition structure and banding mechanism in place at the institution attended will apply.

Business Masters Rate

Minnesota students enrolled at one of the UW Comprehensive Institutions will be charged the higher of the weighted average of the business masters resident tuition rates for Minnesota State Universities four-year campuses or the business masters resident tuition rate at the UW Comprehensive Institution they are attending. The tuition structure and banding mechanism in place at the institution attended will apply.

MINNESOTA STATE UNIVERSITIES FOUR-YEAR CAMPUSES (per semester term / per semester credit)**Graduate Rate**

Wisconsin students enrolled at a Minnesota State University four-year campus will be charged the higher of the weighted average of the graduate resident tuition rates for UW Comprehensive Institutions or the graduate resident tuition rate at the Minnesota State Universities four-year campus they are attending. The tuition structure and banding mechanism in place at the institution attended will apply.

Business Masters Rate

Wisconsin students enrolled at a Minnesota State University four-year campus will be charged the higher of the weighted average of the business masters resident tuition rates for UW Comprehensive Institutions or the business masters resident tuition rate at the Minnesota State Universities four-year campus they are attending. The tuition structure and banding mechanism in place at the institution attended will apply.

c. Professional students

UW-MADISON (per semester term / per semester credit)

Law

Minnesota students enrolled at UW-Madison Law School will be charged the higher of the UW-Madison Law School resident tuition rate or the UM-Twin Cities Law School resident tuition rate. The tuition structure and banding mechanism in place at the institution attended will apply.

Pharm.D.

Minnesota students enrolled at UW-Madison Pharm.D. will be charged the higher of the UW-Madison Pharm.D. resident tuition rate or the UM-Twin Cities Pharm.D. resident tuition rate. The tuition structure and banding mechanism in place at the institution attended will apply.

UM-TWIN CITIES (per semester term / per semester credit)**Law**

Wisconsin students enrolled at UM-Twin Cities Law School will be charged the higher of the UM-Twin Cities Law School resident tuition rate or the UW-Madison Law School resident tuition rate. The tuition structure and banding mechanism in place at the institution attended will apply.

Pharm.D.

Wisconsin students enrolled at UM-Twin Cities Pharm.D. will be charged the higher of the UM-Twin Cities Pharm.D. resident tuition rate or the UW-Madison Pharm.D. resident tuition rate. The tuition structure and banding mechanism in place at the institution attended will apply.

UM-DULUTH (per semester term / per semester credit)**Pharm.D.**

Wisconsin students enrolled at UM-Duluth Pharm.D. will be charged the higher of the UM-Duluth Pharm.D. resident tuition rate or the UW-Madison Pharm.D. resident tuition rate. The tuition structure and banding mechanism in place at the institution attended will apply.

Eligible students enrolled in professional academic programs not available in their home state will be charged the resident tuition of the school attended.

4. Institutional Procedures

For each academic year, the administering agency will accept and process submitted applications to be approved according to the corresponding state's applicable resident tuition statutes. A list of approved students will be provided on a continuous frequent basis to each participating school. At the end of each term, the participating school will provide a list to the corresponding state agency including the students name, credits taken, and tuition paid. Nothing shall prohibit participating schools and agencies from exchanging data in electronic format.

5. Agency Procedures

- a. Each administering agency will be responsible for the timely return of the

completed certification lists from the institutions in its home state. The administering agency will forward one copy of each institution's completed certification list to the administering agency in the other state.

- b. The data provided by the institutions for each term on the certification lists will be balanced for each institution and any adjustments adequately documented for subsequent auditing.
- c. Once the data for each term have been balanced, a copy of the results will be supplied to the agency in the other state, along with a report of the number of undergraduate, graduate, and professional students for whom nonresident tuition has been waived under the Agreement. Each state will certify to the other state the number of students, the number of credits carried, and the total amount of reciprocity tuition paid by each student at each institution. Student and credit hour totals for each institution will be grouped by category and the school and category totals will be grouped by each agency. This information will be used by each state to facilitate the computation of the net interstate reimbursement obligation and to monitor institutional reporting. The deadline for such reconciliation for each term shall be 90 days from the conclusion of that term. Subsequent changes to institutional certifications shall be only with the consent of both agencies.
- d. At the end of each academic year, each administering agency shall calculate the net reimbursement obligation under the terms of the Agreement. This information shall be reported to the administering agency in the other state for historical reference purposes.
- e. The net reimbursement obligation will be calculated and paid in a manner described in the Agreement.

6. Common Data Format and Coordinated Planning

To ensure compatibility of information pertaining to the program, the administering agencies will adopt a common data format and share data maintenance and reporting responsibilities. To improve the information about the program for purposes of research, planning, and evaluation, the administering agencies agree to collect and maintain any mutually agreed upon data.

7. Financial Aid for Reciprocity Students

Either state may establish a financial aid program for its reciprocity students in the other state as provided in Minnesota Statutes 136A.08, subd. 5, and in Wisconsin Statutes Chapter 39. The terms of such financial aid programs may be formulated outside the Agreement and shall be included in the annual administrative memorandum. Any such financial aid programs may be non-reciprocal. A financial aid program must not be constructed so as to affect the computation of interstate reimbursement, as specified in the Agreement and this memorandum, or the payment arrangement for the interstate reimbursement to the general fund.

Sherrie Nelson, Administrative Policy Advisor
State of Wisconsin Higher Educational Aids Board

Date

Dennis Olson, Commissioner
Minnesota Office of Higher Education

Date

EXHIBIT A
TOTAL COSTS AND RECIPROCITY COST DIFFERENTIALS
MINNESOTA-WISCONSIN RECIPROCITY AGREEMENT
2022-23 Academic Year

STUDENT/INSTITUTIONAL CATEGORIES	RECIPROCITY		NCHEMS		Cost Differential	
	COST DIFFERENTIAL (64%) PER CREDIT (1) 2020-21	Inflation Adjustment 2021-22	Cost Differential Calculated 2021-22	Inflation Adjustment 2022-23	Cost Differential Calculated 2022-23	
(1) Undergraduate students at UW-Madison, UM-Twin Cities and UM-Morris	\$505.43	1.0511004	\$ 531.26	1.0500418	\$ 557.85	
(2) Undergraduate students at UW-Milwaukee and UM-Duluth	\$210.35	1.0511004	\$ 221.10	1.0500418	\$ 232.16	
(3) Graduate Students at UW-Madison and UM-Twin Cities	\$1,300.31	1.0511004	\$ 1,366.75	1.0500418	\$ 1,435.15	
(4) Graduate students at UW-Milwaukee and UM-Duluth	\$606.30	1.0511004	\$ 637.28	1.0500418	\$ 669.17	
(5) University of Wisconsin-University Cluster, Minnesota State University System, and UM-Crookston						
(a) Undergraduate	\$242.80	1.0511004	\$ 255.21	1.0500418	\$ 267.98	
(b) Graduate	\$347.10	1.0511004	\$ 364.84	1.0500418	\$ 383.10	
(6) Undergraduate student at the University of Wisconsin Colleges and the Minnesota Community and Consolidated Colleges	\$256.72	1.0511004	\$ 269.84	1.0500418	\$ 283.34	

1 Costs shown per semester.

2023-2024
MINNESOTA-WISCONSIN
INTERSTATE TUITION RECIPROCITY PROGRAM
ANNUAL ADMINISTRATIVE MEMORANDUM

PURPOSE

This administrative memorandum has been prepared to implement the statutory authority and the formal interstate agreement negotiated between the two states and to specify administrative procedures of the program.

DURATION OF THE AGREEMENT AND PROCEDURES FOR MODIFICATION

This memorandum is subject to the principles and conditions of the Minnesota-Wisconsin Public Higher Education Reciprocity Agreement (“Agreement”) and is effective July 1, 2023 – June 30, 2024. The memorandum is subject to annual review and update by the Minnesota Office of Higher Education (“OHE”) and the Wisconsin Higher Educational Aids Board (“HEAB”), collectively the “administering agencies.”

ADMINISTRATIVE PROCEDURES

To ensure procedural regularity and compatibility, the administering agencies have agreed to the following procedures:

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2. Application Form

A common application and procedure will be used by students in both states. All students from each state will complete the same application and submit it to the respective administering agency in their home states, regardless of whether they are a new student or a continuing student. The application must require general and institutional information. This application will provide reciprocity for the student in continuous attendance; should the student not attend an institution under the reciprocity agreement for 365 days, the student must reapply for reciprocity. Should a change in the student's residence occur, the student and/or the institution must send written notification to the administering agency in the state in which the student and/or institution is located.

3. Residency

The administering agency in the student’s home state will determine residency based on the information provided by the student during the application process. The agency reserves the right to refuse eligibility if the information provided by the student does not substantiate the claim of residency.

4. Approval and Certification Year

Once eligibility is determined, it continues through the academic year for which certification has been granted. Should a student's residency status change during the academic year, the home state's responsibility to that student will cease upon the commencement of the first term following the establishment of the student's residency in another state. The certification year begins with the Fall term of each academic year and ends after the last Summer session or workshop which begins before the first day of the Fall term of the succeeding academic year. The student that is in attendance and has earned credits during the 2023-2024 academic year will automatically have reciprocity benefits renewed for the 2024-2025 academic year unless notification of a change in residency has been received by the student's home state administering agency.

5. Application Deadline

Applications must be postmarked or electronically submitted no later than the last day of scheduled classes of the first term for which the student expects to receive benefits under the Agreement. Eligibility shall continue for the remainder of the certification year. The administering agencies will cooperate in a mutual exchange of academic calendar information.

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7. Institutional Monitoring

Each administering agency will be responsible for monitoring institutions in its home state for compliance with the provisions and spirit of the Agreement and this memorandum.

PROCEDURE FOR COMPUTATION OF INTERSTATE REIMBURSEMENT

1. Definition of Terms

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- a. **Instructional Cost – the sum of all the operating expenses associated with the colleges, schools, departments, and other instructional divisions of the institution and for departmental research and public service that are not separately budgeted. This would include compensation for academic instruction, occupational and vocational instruction, community education, preparatory and adult basic education, and remedial and tutorial instruction**

- conducted by the teaching faculty for the institution's students.
- b. Variable Costs – as defined in the Agreement, further clarified that variable costs include all instructional costs that are not fixed costs.**
- c. Cost Differential –** the manner in which the Variable Cost per Credit Hour is operationalized. For 2023-2024, it is the 2022-2023 value for each student/institutional category listed in the table attached as Exhibit A, multiplied by 1.0420390, the Higher Education Cost Adjustment Index.
- d. Eligible Credit Hours – included only costs of programs under the Agreement and noted in this memorandum.**
- e. Marginal Cost Factor – 64 percent of the variable costs.**
- f. Variable Cost per Credit Hour –** a calculation made by dividing the Variable Costs by the eligible credit hours in the current academic year. The result is referred to as the Cost Differential, as defined in this memorandum.
- g. Marginal Cost – the Variable Cost per Credit Hour multiplied by the Marginal Cost Factor.**

2. Student Categories

The following categories of institutions and associated instructional costs will be used to determine the net state interstate reimbursement obligation:

a. Undergraduate students

- i.** Undergraduate students enrolled at the University of Wisconsin-Madison, the University of Minnesota-Twin Cities, the University of Minnesota-Morris, and the University of Minnesota-Rochester.
- ii.** Undergraduate students enrolled at the University of Wisconsin-Milwaukee and the University of Minnesota-Duluth.
- iii.** Undergraduate students enrolled at the University of Wisconsin Comprehensive institutions, the Minnesota State Universities four-year campuses, and the University of Minnesota-Crookston.
- iv.** Undergraduate students enrolled at the University of Wisconsin System branch campuses and the Minnesota State Colleges two-year campuses.

b. Graduate students

- i.** Graduate students enrolled at the University of Wisconsin-Madison and the University of Minnesota-Twin Cities.
- ii.** Graduate students enrolled at the University of Wisconsin-Milwaukee and the University of Minnesota-Duluth.
- iii.** Graduate students enrolled at the University of Wisconsin Comprehensive institutions and the Minnesota State Universities four-year campuses.

c. Professional students

- i.** Law students enrolled at the University of Wisconsin-Madison and the University of Minnesota-Twin Cities.
- ii.** Pharm D students enrolled at the University of Wisconsin-Madison and the University of Minnesota-Twin Cities and University of Minnesota-Duluth.

3. Reciprocity Tuition

Institutions covered under this memorandum will charge the following reciprocity tuition rates to students who are determined eligible to receive tuition reciprocity benefits during the 2023-2024 academic year. Tuition rates charged to students shall be based on the terms of the Agreement, hereby incorporated. For reciprocity purposes, tuition rates will remain consistent during the academic year, starting with the fall semester and going through the following summer term.

In no case shall a student counted under the memorandum be charged more than the regular non-resident tuition.

Consistent with this memorandum's treatment of other forms of direct and indirect student aid, students enrolled in courses, programs, and/or institutions that do not charge a nonresident tuition rate but charge a tuition rate other than the resident rate to all students enrolled in a course or program shall not be eligible, nor shall they be counted under this memorandum.

Graduate students who receive a tuition waiver as a benefit of employment at the institution shall be eligible and counted under the memorandum. The tuition reported by the institution to the administering agency shall be the reciprocity tuition rate for the graduate students at that institution.

Eligible students enrolled in professional academic programs not available in their home state will be charged the resident tuition of the school attended.

a. Undergraduate students

UW-MADISON (per semester term / per semester credit)

Minnesota students enrolled at UW-Madison will be charged the higher of the UW-Madison or UM-Twin Cities undergraduate resident tuition rates. The tuition structure and banding mechanism in place at the institution attended will apply.

UM-TWIN CITIES (per semester term / per semester credit)

Wisconsin students enrolled at UM-Twin Cities will be charged the higher of the UW-Madison or UM-Twin Cities undergraduate resident tuition rates. The tuition structure and banding mechanism in place at the institution attended will apply.

UM-MORRIS and UM-ROCHESTER (per semester term / per semester credit)

Wisconsin students enrolled at UM-Morris or UM-Rochester will be charged the higher of the UM institution attending or UW-Madison undergraduate resident tuition rates. The tuition structure and banding mechanism in place at the institution attended will apply.

UW-MILWAUKEE (per semester term / per semester credit)

Minnesota students enrolled at UW-Milwaukee will be charged the higher of the

UW-Milwaukee or UM-Duluth undergraduate resident tuition rates. The tuition structure and banding mechanism in place at the institution attended will apply.

UM-DULUTH (per semester term / per semester credit)

Wisconsin students enrolled at UM-Duluth will be charged the higher of the UW-Milwaukee or UM-Duluth undergraduate resident tuition rates. The tuition structure and banding mechanism in place at the institution attended will apply.

UNIVERSITY OF WISCONSIN COMPREHENSIVE INSTITUTIONS (per semester term / per semester credit)

Minnesota students enrolled at one of the UW Comprehensive Institutions will be charged the higher of the weighted average of the undergraduate resident tuition rates for Minnesota State Universities four-year campuses / UM-Crookston or the undergraduate resident tuition rate at the UW Comprehensive Institution they are attending. The tuition structure and banding mechanism in place at the institution attended will apply.

MINNESOTA STATE UNIVERSITIES FOUR-YEAR CAMPUSES / UM-CROOKSTON (per semester term / per semester credit)

Wisconsin students enrolled at a Minnesota State University four-year campus or UM-Crookston will be charged the higher of the weighted average of the undergraduate resident tuition rates for UW Comprehensive Institutions or the undergraduate resident tuition rate at the Minnesota State Universities four-year campus / UM-Crookston institution they are attending. The tuition structure and banding mechanism in place at the institution attended will apply.

UNIVERSITY OF WISCONSIN SYSTEM BRANCH CAMPUSES (per semester term / per semester credit)

Minnesota students enrolled at one of the UW System Branch Campuses will be charged the higher of the weighted average of the undergraduate resident tuition rates for Minnesota State Colleges two-year campuses or the undergraduate resident tuition rate at the UW System Branch Campus they are attending. The tuition structure and banding mechanism in place at the institution attended will apply.

MINNESOTA STATE COLLEGES TWO-YEAR CAMPUSES (per semester term / per semester credit)

Wisconsin students enrolled at a Minnesota State Colleges two-year campus will be charged the higher of the weighted average of the undergraduate resident tuition rates for UW System Branch Campuses or the undergraduate resident tuition rate at the Minnesota State Colleges two-year campus they are attending. The tuition structure and banding mechanism in place at the institution attended will apply.

WISCONSIN TECHNICAL COLLEGES (per semester term / per semester credit)

Minnesota students enrolled at one of the Wisconsin Technical Colleges will be charged the Wisconsin Technical College undergraduate resident tuition rate.

MINNESOTA STATE STAND-ALONE TECHNICAL COLLEGES (per semester term / per semester credit)

Wisconsin students enrolled at a Minnesota State stand-alone Technical College will be charged the Minnesota State stand-alone Technical College undergraduate resident tuition rate.

b. Graduate students

UW-MADISON (per semester term / per semester credit)

Graduate Rate

Minnesota students enrolled at UW-Madison will be charged the higher of the UW-Madison or UM-Twin Cities graduate resident tuition rates. The tuition structure and banding mechanism in place at the institution attended will apply.

Business Masters Rate

Minnesota students enrolled at UW-Madison will be charged the higher of the UW-Madison or UM-Twin Cities business masters resident tuition rates. The tuition structure and banding mechanism in place at the institution attended will apply.

UM-TWIN CITIES (per semester term / per semester credit)

Graduate Rate

Wisconsin students enrolled at UM-Twin Cities will be charged the higher of the UW-Madison or UM-Twin Cities graduate resident tuition rates. The tuition structure and banding mechanism in place at the institution attended will apply.

Business Masters Rate

Wisconsin students enrolled at UM-Twin Cities will be charged the higher of the UW-Madison or UM-Twin Cities business masters resident tuition rates. The tuition structure and banding mechanism in place at the institution attended will apply.

UW-MILWAUKEE (per semester term / per semester credit)

Graduate Rate

Minnesota students enrolled at UW-Milwaukee will be charged the higher of the UW-Milwaukee or UM-Duluth graduate resident tuition rates. The tuition structure and banding mechanism in place at the institution attended will apply.

Business Masters Rate

Minnesota students enrolled at UW-Milwaukee will be charged the higher of the UW-Milwaukee or UM-Duluth business masters resident tuition rates. The tuition structure and banding mechanism in place at the institution attended will apply.

UM-DULUTH (per semester term / per semester credit)

Graduate Rate

Wisconsin students enrolled at UM-Duluth will be charged the higher of the UW-Milwaukee or UM-Duluth graduate resident tuition rates. The tuition structure and banding mechanism in place at the institution attended will apply.

Business Masters Rate

Wisconsin students enrolled at UM-Duluth will be charged the higher of the UW-Milwaukee or UM-Duluth business masters resident tuition rates. The tuition structure and banding mechanism in place at the institution attended will apply.

UNIVERSITY OF WISCONSIN COMPREHENSIVE INSTITUTIONS (per semester term / per semester credit)**Graduate Rate**

Minnesota students enrolled at one of the UW Comprehensive Institutions will be charged the higher of the weighted average of the graduate resident tuition rates for Minnesota State Universities four-year campuses or the graduate resident tuition rate at the UW Comprehensive Institution they are attending. The tuition structure and banding mechanism in place at the institution attended will apply.

Business Masters Rate

Minnesota students enrolled at one of the UW Comprehensive Institutions will be charged the higher of the weighted average of the business masters resident tuition rates for Minnesota State Universities four-year campuses or the business masters resident tuition rate at the UW Comprehensive Institution they are attending. The tuition structure and banding mechanism in place at the institution attended will apply.

MINNESOTA STATE UNIVERSITIES FOUR-YEAR CAMPUSES (per semester term / per semester credit)**Graduate Rate**

Wisconsin students enrolled at a Minnesota State University four-year campus will be charged the higher of the weighted average of the graduate resident tuition rates for UW Comprehensive Institutions or the graduate resident tuition rate at the Minnesota State Universities four-year campus they are attending. The tuition structure and banding mechanism in place at the institution attended will apply.

Business Masters Rate

Wisconsin students enrolled at a Minnesota State University four-year campus will be charged the higher of the weighted average of the business masters resident tuition rates for UW Comprehensive Institutions or the business masters resident tuition rate at the Minnesota State Universities four-year campus they are attending. The tuition structure and banding mechanism in place at the institution attended will apply.

c. Professional students

UW-MADISON (per semester term / per semester credit)

Law

Minnesota students enrolled at UW-Madison Law School will be charged the higher of the UW-Madison Law School resident tuition rate or the UM-Twin Cities Law School resident tuition rate. The tuition structure and banding mechanism in place at the institution attended will apply.

Pharm.D.

Minnesota students enrolled at UW-Madison Pharm.D. will be charged the higher of the UW-Madison Pharm.D. resident tuition rate or the UM-Twin Cities Pharm.D. resident tuition rate. The tuition structure and banding mechanism in place at the institution attended will apply.

UM-TWIN CITIES (per semester term / per semester credit)**Law**

Wisconsin students enrolled at UM-Twin Cities Law School will be charged the higher of the UM-Twin Cities Law School resident tuition rate or the UW-Madison Law School resident tuition rate. The tuition structure and banding mechanism in place at the institution attended will apply.

Pharm.D.

Wisconsin students enrolled at UM-Twin Cities Pharm.D. will be charged the higher of the UM-Twin Cities Pharm.D. resident tuition rate or the UW-Madison Pharm.D. resident tuition rate. The tuition structure and banding mechanism in place at the institution attended will apply.

UM-DULUTH (per semester term / per semester credit)**Pharm.D.**

Wisconsin students enrolled at UM-Duluth Pharm.D. will be charged the higher of the UM-Duluth Pharm.D. resident tuition rate or the UW-Madison Pharm.D. resident tuition rate. The tuition structure and banding mechanism in place at the institution attended will apply.

Eligible students enrolled in professional academic programs not available in their home state will be charged the resident tuition of the school attended.

4. Institutional Procedures

For each academic year, the administering agency will accept and process submitted applications to be approved according to the corresponding state's applicable resident tuition statutes. A list of approved students will be provided on a continuous frequent basis to each participating school. At the end of each term, the participating school will provide a list to the corresponding state agency including the students name, credits taken, and tuition paid. Nothing shall prohibit participating schools and agencies from exchanging data in electronic format.

5. Agency Procedures

- a. Each administering agency will be responsible for the timely return of the

completed certification lists from the institutions in its home state. The administering agency will forward one copy of each institution's completed certification list to the administering agency in the other state.

- b. The data provided by the institutions for each term on the certification lists will be balanced for each institution and any adjustments adequately documented for subsequent auditing.
- c. Once the data for each term have been balanced, a copy of the results will be supplied to the agency in the other state, along with a report of the number of undergraduate, graduate, and professional students for whom nonresident tuition has been waived under the Agreement. Each state will certify to the other state the number of students, the number of credits carried, and the total amount of reciprocity tuition paid by each student at each institution. Student and credit hour totals for each institution will be grouped by category and the school and category totals will be grouped by each agency. This information will be used by each state to facilitate the computation of the net interstate reimbursement obligation and to monitor institutional reporting. The deadline for such reconciliation for each term shall be 90 days from the conclusion of that term. Subsequent changes to institutional certifications shall be only with the consent of both agencies.
- d. At the end of each academic year, each administering agency shall calculate the net reimbursement obligation under the terms of the Agreement. This information shall be reported to the administering agency in the other state for historical reference purposes.
- e. The net reimbursement obligation will be calculated and paid in a manner described in the Agreement.

6. Common Data Format and Coordinated Planning

To ensure compatibility of information pertaining to the program, the administering agencies will adopt a common data format and share data maintenance and reporting responsibilities. To improve the information about the program for purposes of research, planning, and evaluation, the administering agencies agree to collect and maintain any mutually agreed upon data.

7. Financial Aid for Reciprocity Students

Either state may establish a financial aid program for its reciprocity students in the other state as provided in Minnesota Statutes 136A.08, subd. 5, and in Wisconsin Statutes Chapter 39. The terms of such financial aid programs may be formulated outside the Agreement and shall be included in the annual administrative memorandum. Any such financial aid programs may be non-reciprocal. A financial aid program must not be constructed so as to affect the computation of interstate reimbursement, as specified in the Agreement and this memorandum, or the payment arrangement for the interstate reimbursement to the general fund.

Sherrie Nelson, Administrative Policy Advisor
State of Wisconsin Higher Educational Aids Board

Date

Dennis Olson, Commissioner
Minnesota Office of Higher Education

Date

EXHIBIT A
TOTAL COSTS AND RECIPROCITY COST DIFFERENTIALS
MINNESOTA-WISCONSIN RECIPROCITY AGREEMENT
2023-24 Academic Year

STUDENT/INSTITUTIONAL CATEGORIES	Cost Differential Calculated 2022-23	Inflation Adjustment 2023-24	Cost Differential Calculated 2023-24
(1) Undergraduate students at UW-Madison, UM-Twin Cities and UM-Morris	\$ 557.85	1.0420390	\$ 581.30
(2) Undergraduate students at UW-Milwaukee and UM-Duluth	\$ 232.16	1.0420390	\$ 241.92
(3) Graduate Students at UW-Madison and UM-Twin Cities	\$ 1,435.15	1.0420390	\$ 1,495.48
(4) Graduate students at UW-Milwaukee and UM-Duluth	\$ 669.17	1.0420390	\$ 697.30
(5) University of Wisconsin-University Cluster, Minnesota State University System, and UM-Crookston			
(a) Undergraduate	\$ 267.98	1.0420390	\$ 279.25
(b) Graduate	\$ 383.10	1.0420390	\$ 399.20
(6) Undergraduate student at the University of Wisconsin Colleges and the Minnesota Community and Consolidated Colleges	\$ 283.34	1.0420390	\$ 295.25

1 Costs shown per semester.