



**MINNESOTA STATE**  
Board of Trustees

**AGENDA ITEM SUMMARY**

**NAME:** Finance and Facilities Committee

**DATE:** November 19, 2024

**TITLE:** Approval of Amended Minnesota-Wisconsin Public Higher Education Reciprocity Agreement

Action

Review and Discussion

*This item is required by policy*

**PRESENTERS**

Bill Maki, Vice Chancellor for Finance and Facilities

Ken Janz, President, Winona State University

Steve Ernest, System Director, Financial Planning & Analysis

**PURPOSE**

The board is being asked to approve the amended version of the Minnesota-Wisconsin Public Higher Education Reciprocity Agreement. There are no financial or otherwise substantive changes to the agreement. Other than removing obsolete language and referencing one additional chapter of Wisconsin Statute, the only change is to designate the Board of Regents of the University of Wisconsin System as the entity that administers the agreement on behalf of Wisconsin institutions other than vocational technical education. The Wisconsin Higher Education Aids Board has been administering this agreement for all Wisconsin institutions and will continue to administer the agreement for vocational technical institutions. The Minnesota Office of Higher Education will continue to administer the agreement on behalf of all Minnesota institutions.

**BACKGROUND INFORMATION**

Authority

Minnesota Statute [Section 136A.08](#) authorizes The Minnesota Office of Higher Education (OHE) to enter into agreements with entities from other states and provinces to establish nonresident tuition rate structures at public postsecondary institutions that provide mutual expansion of educational opportunities for their residents. While OHE negotiates these agreements, the authorizing statute provides that *“An agreement made by the office under this section is not valid as to a particular institution without the approval of that institution’s state or provincial governing board.”*

In August of this year, OHE entered into an amended version of the Minnesota-Wisconsin Public Higher Education Reciprocity Agreement. The main purpose for amending the agreement was to

change the entity that administers the agreement on behalf of most Wisconsin public higher education institutions. This amendment was necessitated by an act passed by the Wisconsin legislature that required this change.

#### Ongoing Practice Under the Agreement

Minnesota has had a tuition reciprocity agreement with Wisconsin since 1969. In 1973, the agreement took on its current form as a common market for postsecondary education, essentially removing most non-residency restrictions and price differences. The agreement also aims to help reduce postsecondary institution and program duplication. The initial example of this was allowing Wisconsin students access to Minnesota's School of Veterinary Medicine.

Expanded market availability has expanded interest in Minnesota schools, bringing more students to Minnesota campuses, adding students with different backgrounds and helping to achieve a more diverse student body which can enhance learning experiences for all students. As provided in the reciprocity agreement, cross-border enrollments are monitored, and student cost calculations are made each year to determine amounts each state should reimburse the other for that year's attendance levels. Payments from Wisconsin go into the State of Minnesota's General Fund and not to individual colleges or universities. In efforts to expand market attractiveness beyond reciprocity states, Minnesota State colleges and universities have chosen to remove most other non-resident rates over the past twenty years.

For two-year colleges, the reciprocity agreement between Minnesota and Wisconsin provides that students at community and consolidated colleges will be charged the higher of the University of Wisconsin System branch campus undergraduate resident rate or the undergraduate resident rate at the institution attended, not to exceed that college's non-resident rate. As documented in the [tuition structure](#) approved by the board in the fiscal year 2025 Annual Operating Budget materials, all Minnesota State college rates are lower than the University of Wisconsin Branch rate of \$227.81 per credit, meaning the rate paid by Wisconsin residents attending Minnesota State colleges is capped at each college's own resident/non-resident rate. These range from \$164.72 to \$196.55 per credit. Wisconsin residents attending a Minnesota technical college always pay what a Minnesota resident pays for tuition at that school.

For four-year universities, the reciprocity agreement between Minnesota and Wisconsin provides that undergraduate students will be charged the higher of the weighted average Wisconsin Comprehensive resident rate or the resident rate at the institution attended, not to exceed that institution's non-resident rate. As documented in the [tuition structure](#) approved by the board in the fiscal year 2025 Annual Operating Budget materials, all Minnesota State university banded rates are higher than the Wisconsin Comprehensive resident rate of \$3,708.07 per semester, meaning the rate paid by Wisconsin residents attending Minnesota State universities as undergraduates is equal to each university's own resident rate. These range from \$4,177.50 to \$4,497.00 per semester.

In fiscal year 2023, there were 4,676 Wisconsin reciprocity undergraduate students at Minnesota State colleges and universities. The three largest contingents were at Winona State University (2,521 students), Minnesota State University, Mankato (1,306 students), and St. Cloud State University (342 students).

Generally, graduate students attending Minnesota universities under the reciprocity agreement pay the resident graduate rate at each institution, since those rates are generally higher than the Wisconsin rates which average \$495.82 per credit. Some graduate programs, such as Master of Business Administration programs may vary from this pattern. Graduate resident rates at Minnesota State universities range from \$497.41 to \$536.82.

In fiscal year 2023, there were 352 Wisconsin reciprocity graduate students at Minnesota State universities. The three largest contingents were at Winona State University (199 students), Minnesota State University, Mankato (72 students), and St. Cloud State University (55 students).

#### Implications of Approval or Non-Approval of Amended Agreement

Approval of the amended agreement would authorize continuation of the current rate structure for Wisconsin residents attending Minnesota State colleges and universities.

Non-approval of the new agreement would mean Minnesota State institutions with non-residents tuition rates higher than resident tuition rates would begin charging Wisconsin resident students those higher rates. Only three Minnesota State institutions currently have non-resident rates higher than resident rates. These three institutions are the three universities with the highest number of Wisconsin reciprocity students: Winona State University, Minnesota State University, Mankato, and St. Cloud State University. [Board Policy 2.2](#) allows these universities to offer resident tuition rates for other, non-reciprocity reasons such as high academic achievements, international or graduate assistant status. It is likely, however, that a number of Wisconsin residents who would have attended one of these universities under the reciprocity agreement would go elsewhere rather than pay the higher rates.

Non-approval by the Minnesota State Board of Trustees would not directly inhibit the ability of Minnesota residents to attend Wisconsin colleges and universities under the agreement, nor would it inhibit Wisconsin residents from attending University of Minnesota institutions under the agreement. The University of Minnesota Board of Regents approved the revised agreement at its October 11, 2024, meeting.

#### **RECOMMENDED ACTION**

The Finance and Facilities Committee recommends that the Board of Trustees approves the Minnesota-Wisconsin Public Higher Education Reciprocity Agreement, as amended August 20, 2024, to provide that the University of Wisconsin System rather than Wisconsin Higher Education Aids Board will administer the agreement on behalf of most University of Wisconsin schools.

<i>Date Presented to the Finance and Facilities Committee:</i>	<i>11/19/24</i>
<i>Date Presented to the Board of Trustees:</i>	<i>11/20/24</i>
<i>Date of Implementation:</i>	<i>11/20/24</i>