



Joint Committee on Finance Public Hearing on AB 920/SB 896

Jan. 11, 2024

UW-River Falls (UWRF) submits the following text as testimony in favor of this legislation regarding the Minnesota-Wisconsin tuition reciprocity agreement. Similar testimony has been provided at the Senate Committee on Universities Revenue Hearing on Aug 23, 2023 and Assembly Committee on Colleges and Universities Hearing on June 8, 2023.

This legislation is incredibly important to UWRF and I would start by thanking the bill authors who represent River Falls, Rep. Zimmerman and Sen. Stafsholt along with co-authors and Sen. Smith and Rep. Petryk for their leadership on this legislation.

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 growing 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 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.

Furthermore, starting in Fall 2024, we risk seeing our Minnesota pipeline reduced, as that state launches their North Star Promise, a tuition guarantee program for eligible low-income students. We believe our program offerings will still attract some of those North Star Promise-eligible students to attend our university, but our Minnesota enrollment will shrink. Therefore, campuses like UW-River Falls will absolutely need the additional revenue made available with passage of this bill to be competitive. We will invest those funds even more strategically to provide services that connect all of our students to Wisconsin internships and jobs, fulfilling our promise to help drive economic development and be net importers of talent.

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 this legislation, and in doing so, support campuses like UW-River Falls whose value to the state at this time in history cannot be underestimated.