

### Fiscal Estimate - 2019 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> 19-2023/1	<b>Introduction Number</b> AB-0373
<b>Description</b> University of Wisconsin System segregated fees	
<b>Fiscal Effect</b>	
<b>State:</b> <input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input checked="" type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs	
<b>Local:</b> <input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs      3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs      4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
<b>5. Types of Local Government Units Affected</b> <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts	
<b>Fund Sources Affected</b> <b>Affected Ch. 20 Appropriations</b> <input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input checked="" type="checkbox"/> SEG <input type="checkbox"/> SEGS	
<b>Agency/Prepared By</b> UWS/ Chrissy Klappa (608) 890-2881	<b>Authorized Signature</b> Jeff Buhrandt (608) 262-1312
<b>Date</b> 8/22/2019	

**Fiscal Estimate Narratives**  
**UWS 8/22/2019**

LRB Number <b>19-2023/1</b>	Introduction Number <b>AB-0373</b>	Estimate Type <b>Original</b>
<b>Description</b> University of Wisconsin System segregated fees		

**Assumptions Used in Arriving at Fiscal Estimate**

This proposed bill would limit the use of segregated fees to expenses related to the following activities: officially recognized student organizations, student governance, student media, intra-collegiate student recreational sports, intercollegiate athletics, student health, counseling, and childcare services, student transportation services, nonacademic student services, student union programming and nonretail operations, facility maintenance and capital construction projects.

It would also cap all fees for athletics at the rate for the 2020-21 academic year and place a maximum cap of \$225 per year. For capital construction projects funded by segregated fees, this proposed bill would require a majority vote of the entire student body in two consecutive academic years, as well as cap the amount of funding from segregated fees for a capital project at 50% of the cost of the project.

The proposed bill would also grant students primary responsibility for the disposition of all segregated fees, both allocable and non-allocable.

**Long-Range Fiscal Implications**

**DESIGNATED AREAS**

The limits on segregated fees to the specific areas defined in the bill may have unintended consequences by jeopardizing funding for other activities that do not strictly meet the definitions in the proposed bill. Currently, all institutions collect a segregated fee related to municipal services. Under the proposed bill, this charge would be eliminated.

Additionally, UW System policy 820 contains a detailed list of permitted expenditures.

**ATHLETICS**

Athletic programs contribute to the local community, campus culture, and student development. The cap on athletics would impact the ability of all athletic programs to maintain and grow programs in the future.

Immediately, the \$225 cap will impact UW-Milwaukee, UW-Green Bay, and UW-Superior, which currently charge above \$225 per year.

**CAPITAL PROJECTS**

This would impact facilities for student unions, athletics, recreational sports and health and wellness as well as repair/renovation/remodeling construction projects for facilities funded by segregated fees. The 50% cap on segregated fee funding for a capital project means necessary building and renovation projects potentially could not occur without alternative funding sources or state support.

Adding a referenda requirement will result in longer times to complete projects, likely resulting in higher construction costs. Requiring multiple referenda on each segregated fee funded project will increase expenses as referenda are costly to run in terms of staff time, marketing materials and running the elections. UW-Madison estimates the cost to hold referendum around \$1 million.

**STUDENT RESPONSIBILITY**

Currently, UW System policy 820 gives students the opportunity to review and offer advice on programs and

activities funded by non-allocable segregated fees. Campus administrations and student governance groups have developed procedures to ensure students conduct a review of non-allocable budgets. These procedures are reviewed annually.

Non-allocable budgets generally contain more permanent items such as salaries and fringe benefits for permanent staff and contractual obligations. It is difficult to estimate what kind of fiscal impact shifting responsibility for direct oversight over these funds will produce.