

FISCAL ESTIMATE FORM

1999 Session

- ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

LRB # -2492/1

INTRODUCTION # AB 340

Admin. Rule #

Subject
 Selective Service Requirement for Employment and Financial Aid

Fiscal Effect

State: No State Fiscal Effect

Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation.

Increase Costs - May be possible to Absorb Within Agency's Budget Yes No

- Increase Existing Appropriation Increase Existing Revenues
 Decrease Existing Appropriation Decrease Existing Revenues
 Create New Appropriation

Decrease Costs

Local: No local government costs

1. Increase Costs
 Permissive Mandatory
 2. Decrease Costs
 Permissive Mandatory

3. Increase Revenues
 Permissive Mandatory
 4. Decrease Revenues
 Permissive Mandatory

5. Types of Local Governmental Units Affected:
 Towns Villages Cities
 Counties Others _____
 School Districts WTCS Districts

Fund Sources Affected

- GPR FED PRO PRS SEG SEG-S

Affected Ch. 20 Appropriations

Assumptions Used in Arriving at Fiscal Estimate:

AB 340 would direct the University of Wisconsin System to require that all students receiving state financial assistance and any new hire register with Selective Service, if they are required to do so (males 18 years and older).

Any student who has not registered with Selective Service would not be eligible for state financial assistance administered by the Board of Regents, and any potential applicant would not be hired if he had not registered with Selective Service. Financial aid administered by the UWS includes the Lawton Undergraduate Minority Retention Grant and the Advanced Opportunity Program. Other financial assistance includes athletic scholarships, short-term loans and out-of-state tuition remission.

Current Financial Assistance and Hiring Processes:

Financial Aid:

Currently, all students applying for financial aid must register with Selective Service in order to receive federal financial aid. To ensure compliance with this federal law, the federal government runs a cross check with the Selective Service of all students applying for federal aid. When a student has applied for federal financial aid without registering for Selective Service, the federal government notifies the UW institution processing the aid package. Students are notified by the institution of their need to register and federal aid awards are not dispersed until the student registers. Selective Service registration has not been a criterion for state need-based financial aid. However, because male students over the age of 18 must verify their Selective Service registration in order to receive federal financial assistance, they have in effect also proven their registration for state financial aid.

Other Financial Assistance Programs:

Currently, students applying for either athletic scholarships, short-term loans, or out-of-state tuition remission are not always required to apply through the financial aid office. Therefore under AB 340, applicants for these financial assistance programs who had not applied for other financial assistance would need to submit copies of their Selective Service acknowledgment cards. The number of recipients is relatively small and it is assumed the cost would be absorbed.

(continued)

Long-Range Fiscal Implications:

Prepared By: / Phone # / Agency Name

Authorized Signature / Telephone No.

Date

UW System

N.R. [Signature]

2-6715

5/19/99

New Hires:

In the case of new hires, there is no current policy requiring the employee to provide proof of having registered with the Selective Service. UWS institutions hire students and non-students. For students on financial aid, the Selective Service verification process is in place. For other hires, the burden of proof falls on the applicant to produce a Selective Service card within ten days. Therefore, the overall cost would be minimal.

Given that the students are being monitored when applying for federal financial aid, it is assumed that the cost of implementing this legislation would be minimal and could be absorbed. The one-time and the continuing cost of monitoring new hires would also be minimal and could also be absorbed. This estimate is based on the following assumptions:

Fiscal Effects of AB 340

- Currently, there are very few students applying for financial aid who have not registered with Selective Service. In almost every case, the students who have not registered are immigrants who were unaware that their immigration status requires them to register.
- Given that the financial aid offices of each institution are being notified by the federal government when a student has not registered for Selective Service, the institutions would "piggyback" this system and hold off on any state aid until the student registers.
- The process of verifying that new hires have registered for Selective Service would parallel the process currently in place to comply with the Immigration Reform and Control Act of 1986. The burden of proof would be on the new hire to produce a Selective Service-generated acknowledgment card within ten working days of the first day on the job. The hiring department would make a photocopy of the acknowledgment card for the employee's file.