

### Fiscal Estimate - 2011 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> 11-2681/1	<b>Introduction Number</b> SB-178
<b>Description</b> Differential tuition at certain institutions and colleges of the University of Wisconsin System	
<b>Fiscal Effect</b>	
<b>State:</b>	
<input type="checkbox"/> No State Fiscal Effect <input checked="" type="checkbox"/> Indeterminate	
<input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Create New Appropriations	<input checked="" type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Revenues
<input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Yes <input type="checkbox"/> No <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 <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory
5. Types of Local Government Units Affected <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>	
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input checked="" type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.285 (1)(gb)	
<b>Affected Ch. 20 Appropriations</b>	
<b>Agency/Prepared By</b>	<b>Authorized Signature</b>
UWS/ Paige Rusch (608) 263-3307	Freda Harris (608) 262-2734
<b>Date</b>	
9/8/2011	

## Fiscal Estimate Narratives

UWS 9/8/2011

LRB Number 11-2681/1	Introduction Number SB-178	Estimate Type Original
<b>Description</b> Differential tuition at certain institutions and colleges of the University of Wisconsin System		

### Assumptions Used in Arriving at Fiscal Estimate

2011 Act 32 limits tuition increases on resident undergraduate students to 5.5 percent in both years of the 2011-13 biennium. As base tuition is expected to increase by 5.5 percent in order to offset GPR reductions, the limit had the potential to prevent increases to existing differential tuition programs. However, Act 32 exempted differential tuition programs that were approved before June 1, 2011 from the limit.

The 5.5 percent limit in Act 32 does, however, prevent the implementation of any new differential tuition programs during the biennium.

Based on the analysis by the Legislative Reference Bureau, it appears that the intent of AB 241 is to permit the implementation of new differential tuition programs at UW-Stevens Point, UW-Green Bay, UW-Parkside, and the UW Colleges. Any differential tuition program approved at these institutions must be approved under the policies in place before June 1, 2011.

Differential tuition programs generally establish a tuition surcharge above the standard tuition rate in support of educational quality and student access initiatives. As such, a new differential tuition program would increase tuition revenue (PR). However, because UW System Administration has not yet received any proposals for a new differential tuition program, no revenue estimates can be made.

It should be noted that the construction of the language appears to have an unintended consequence. 2011 Act 32 section 9152 (1pc)(b) currently exempts differential tuition programs approved by the Board before June 1, 2011 from the tuition restrictions in section 9152 (1pc)(a). Implementing AB 241 as currently constructed would remove that exemption. This would prevent planned differential tuition increases at UW-Madison, UW-Eau Claire, UW-River Falls, UW-Superior, and UW-La Crosse.

### Long-Range Fiscal Implications