

Fiscal Estimate Narratives

HEAB 2/7/2014

LRB Number	13-3418/1	Introduction Number	AB-0697	Estimate Type	Original
Description Amount of an academic excellence higher education scholarship, the number of those scholarships that may be awarded in an academic year, the eligibility criteria for those scholarships, creating an individual income tax credit for certain academic scholarship recipients, and making an appropriation					

Assumptions Used in Arriving at Fiscal Estimate

Based on the 13-14 enrollment of WI high schools 445 scholarships would be available to high school seniors. Tuition and fees at the UW-Madison is \$10,402 and this bill provides an award of half of their tuition. The assumption would be that the academic year award would be \$5,201 per year. If this bill is implemented in the 14-15 academic year the freshman cost for the scholarship would be \$2,314,445. The total cost for the program which would include the previous scholars as the assumption is that the original Academic Excellence Scholars would be able to continue their scholarship for the 14-15 academic year would be \$4,930,070. An increase of \$1,620,770 would need to be provided to cover the state cost of the scholarship since the appropriation is \$3,309,300.

If the scholarship was raised from the current value of \$2,250 (half coming from the state and the other half funded through the institution) to \$4,500 and keeping the current statutes and rules the total cost to the state for the 14-15 academic year would be \$6,750,000.

Long-Range Fiscal Implications

Assuming that the present Academic Excellence scholars are able to continue their scholarships the cost for the 15-16 academic year would be \$6,387,265; for the 16-17 academic year the cost would be \$7,760,085; 17-18 academic year the cost would be \$9,257,780. This proposal includes an additional two semesters of eligibility over the present eight semesters - the 18-19 academic year costs could potentially be \$10,297,980.

Fiscal Estimate Worksheet - 2013 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes (FTE Position Changes)	\$	\$	
State Operations - Other Costs			
Local Assistance	1,620,770		
Aids to Individuals or Organizations			
TOTAL State Costs by Category	\$1,620,770		\$
B. State Costs by Source of Funds			
GPR	1,620,770		
FED			
PRO/PRS			
SEG/SEG-S			
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)			
	Increased Rev	Decreased Rev	
GPR Taxes	\$	\$	
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
TOTAL State Revenues	\$	\$	
NET ANNUALIZED FISCAL IMPACT			
	<u>State</u>	<u>Local</u>	
NET CHANGE IN COSTS	\$1,620,770	\$	
NET CHANGE IN REVENUE	\$	\$	
Agency/Prepared By		Authorized Signature	Date
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