

Fiscal Estimate Narratives

UWS 1/28/2014

LRB Number	13-2013/1	Introduction Number	AB-0785	Estimate Type	Original
Description University of Wisconsin and technical college nonresident tuition exemptions					

Assumptions Used in Arriving at Fiscal Estimate

Wisconsin Statute 36.27(2) provides a list of criteria for determining a student's residency status. Students that are determined to be residents are exempt from paying nonresident tuition, but must still pay resident tuition and fees.

To provide context, resident tuition is \$3,149.16 per semester and nonresident tuition is \$6,935.64 per semester at UW-Green Bay.

The proposed legislation extends the nonresident tuition exemption to citizens of another country who meet the following three criteria: 1) graduated from a Wisconsin high school, 2) were continuously present in Wisconsin for three years during high school, and 3) provided an affidavit stating that they have or will file an application for permanent residency. Students qualifying under this exemption would still be required to pay resident tuition and segregated fees.

A fiscal estimate could not be meaningfully created for this bill for the following three reasons:

1. Census data was reviewed for this analysis, but it was not specific enough to extrapolate a meaningful fiscal estimate. The American Community Survey does estimate the number of people living in Wisconsin who are foreign born and not U.S. citizens, but the data does not provide enough information on age or educational attainment.
2. The market forces involved in the decision to attend college for this population are particularly difficult to model. For example, a student who is not a U.S. citizen may choose not to attend the University of Wisconsin because of the cost of nonresident tuition. However, that student may choose to attend a private college or to pursue an online education in order to avoid residency-based tuition.
3. While data on underrepresented student participation, retention, and graduation for University of Wisconsin institutions is publicly available, this data is not specific to the population of students who would be impacted by this legislation. There is no evidence to suggest that the available data could be reliably used as a proxy for students who are foreign born and not U.S. citizens.

During this analysis, a 2010 article in the Review of Higher Education by Flores was reviewed. The article suggested that nonresident tuition exemptions increase the likelihood of enrollment among Latino students who are foreign-born and non-citizens by 1.54 times. While it is unclear if students in Wisconsin would respond to pricing in the same way, it does suggest that the proposed legislation could result in additional students attending the University of Wisconsin and paying resident tuition.

Long-Range Fiscal Implications