

Fiscal Estimate - 2015 Session

Original Updated Corrected Supplemental

LRB Number 15-3818/1		Introduction Number AB-0622	
Description Exempting from nonresident tuition at the University of Wisconsin System certain members of the Wisconsin National Guard or a reserve unit of the U.S. armed forces			
Fiscal Effect			
State:			
<input type="checkbox"/> No State Fiscal Effect	<input type="checkbox"/> Increase Existing Revenues	<input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
<input type="checkbox"/> Indeterminate	<input checked="" type="checkbox"/> Decrease Existing Revenues		
<input type="checkbox"/> Increase Existing Appropriations	<input type="checkbox"/> Decrease Existing Appropriations		
<input type="checkbox"/> Decrease Existing Appropriations	<input type="checkbox"/> Create New Appropriations	<input type="checkbox"/> Decrease Costs	
Local:			
<input type="checkbox"/> No Local Government Costs	<input type="checkbox"/> Increase Revenue	5. Types of Local Government Units Affected	
<input type="checkbox"/> Indeterminate	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		<input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities
1. <input type="checkbox"/> Increase Costs	3. <input type="checkbox"/> Increase Revenue		<input type="checkbox"/> Counties <input type="checkbox"/> Others
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		<input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts
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		
Fund Sources Affected		Affected Ch. 20 Appropriations	
<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			
Agency/Prepared By	Authorized Signature	Date	
UWS/ Tawseef Talukdar (608) 265-8501	Freda Harris (608) 262-2734	1/15/2016	

Fiscal Estimate Narratives

UWS 1/15/2016

LRB Number	15-3818/1	Introduction Number	AB-0622	Estimate Type	Original
Description Exempting from nonresident tuition at the University of Wisconsin System certain members of the Wisconsin National Guard or a reserve unit of the U.S. armed forces					

Assumptions Used in Arriving at Fiscal Estimate

Introduction:

This bill exempts certain members of the Wisconsin National Guard or a United States Armed Forces reserve unit who attend University of Wisconsin System institutions from nonresident tuition. Qualifying students will still pay resident tuition.

The student must meet three requirements to be exempt from nonresident tuition. First, the student must have resided in the state for six months preceding the beginning of any semester or session for which the student registers.

Second, during the six-month period, the student must be a member of the National Guard or a reserve unit of the U.S. Armed Forces other than an inactive member of the National Guard or a member of the Individual Ready Reserve as described in 10 USC 10144.

Third, the student must continue to be a member of the National Guard or reserve unit of the U.S. Armed Forces, or be honorably discharged, while enrolled in an institution.

On meeting these requirements, a student will be exempt from nonresident tuition for 128 credits or eight semesters, whichever is longer.

Once a student receives this nonresident tuition exemption, if the student has to withdraw from the system because he or she is called into active service, the student may reenroll in the system and maintain their exemption. To do so, the student must be called into active duty or service for at least 30 days, and upon being discharged, demobilized, or deactivated, the student must reenroll in the system in the same or following semester.

Analysis:

The UW System estimates that there are 69 students who are nonresidents and members of the Wisconsin National Guard or a reserve unit of the U.S. Armed Forces. This analysis assumes that this will be the size of the population affected by this bill. The annual additional cost associated with this bill can be estimated by totaling the difference in resident and nonresident tuition for these students at their respective institutions. For UW Stout, which assesses tuition on a per credit basis, a 14-credit workload is assumed. This total is \$549,640.

In addition to tuition-related costs, there will also be costs associated with administering this exemption and tracking the credit and semester limit of the benefit. The Office of Information Services estimates that it will cost \$5,000 to modify the existing Wisconsin GI Bill system to track this population of students and their progress.

The total estimated increased cost associated with this bill is \$554,640.

Additional Considerations:

This estimate is based on the current population and distribution of eligible students among UW institutions. The actual cost of this bill would vary with changes in the total eligible population as well as how they are distributed among institutions.

This estimate does not account for eligible students who already pay less than nonresident tuition because of reciprocity with Minnesota or the Midwest Student Exchange Program because this data is not tracked. The actual additional cost of this bill will vary with the number of such students. Though there will be additional costs for these students, it will be less than the additional costs associated with students who

currently pay nonresident tuition. This is because the difference between the tuition paid before and after this bill will be greater for students who currently pay nonresident tuition.

This estimate does not account for possible increases in demand due to the bill. It is possible that this benefit will attract more eligible students to the UW System.

Long-Range Fiscal Implications

This bill may attract more students to the UW System. This estimate does not account for such an increase in demand.

Fiscal Estimate Worksheet - 2015 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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Description
 Exempting from nonresident tuition at the University of Wisconsin System certain members of the Wisconsin National Guard or a reserve unit of the U.S. armed forces

I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):

\$5,000 to modify the existing Wisconsin GI Bill system to track this population of students and their progress.

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		
Aids to Individuals or Organizations		
TOTAL State Costs by Category	\$	\$

B. State Costs by Source of Funds		
GPR		
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 (Tuition)		-549,640
SEG/SEG-S		
TOTAL State Revenues	\$	\$-549,640

NET ANNUALIZED FISCAL IMPACT

	<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS	\$	\$
NET CHANGE IN REVENUE	\$-549,640	\$

Agency/Prepared By	Authorized Signature	Date
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