

Fiscal Estimate - 2019 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 19-3803/1	Introduction Number SB-343
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Description
 University of Wisconsin System resident undergraduate tuition

Fiscal Effect

State:

No State Fiscal Effect
 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 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"/> Decrease Costs
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Local:

No Local Government Costs
 Indeterminate

1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	3. <input type="checkbox"/> Increase 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
2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	

Fund Sources Affected	Affected Ch. 20 Appropriations
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	

Agency/Prepared By UWS/ Mickie Krall (608) 262-9106	Authorized Signature Jeff Buhrandt (608) 262-1312	Date 8/22/2019
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Fiscal Estimate Narratives

UWS 8/22/2019

LRB Number	19-3803/1	Introduction Number	SB-343	Estimate Type	Original
Description University of Wisconsin System resident undergraduate tuition					

Assumptions Used in Arriving at Fiscal Estimate

Beginning in the 2021-22 academic year, this bill prohibits the Board of Regents of the UW System from increasing resident undergraduate tuition by more than the increase in the consumer price index. The bill defines "resident undergraduate tuition" to include differential tuition.

The bill also institutes cohort tuition beginning in 2021-22, regardless of whether the student was previously enrolled at any UW institution or a non-UW institution of higher education.

Long-Range Fiscal Implications

A cohort tuition model would significantly increase the complexity of the tuition setup in the campus' Student Information Systems. Costs are related to reconfigurations of the various implementations of the Student Information Systems at each campus to accommodate the cohort tuition model proposed by the bill. Estimated costs for all campuses, except UW-Madison, are \$2.5-3 million for one-time expenses. Estimated costs for UW-Madison are \$522,720 for one-time expenses and \$243,875 for ongoing operational costs.

There would be increased revenue due to a tuition increase, however the cohort tuition model would impact those revenues compared to an increase to the full base. For example, increasing base tuition for state-supported resident undergraduate students, including differential, by 1 percent would generate an estimated \$8.5 million in tuition revenues annually. In the cohort tuition model, any tuition increase would generate approximately 25 percent of the overall amount as tuition would only increase for new, incoming students and remain static for others. The impact of this would most likely be that UW System would continue to have tuition revenue shortfall when considering factors such as pay plan and fringe benefits, which are funded in part with tuition revenue.