

Fiscal Estimate - 2023 Session

Original
 Updated
 Corrected
 Supplemental

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|---|--|--------------------------|
| LRB Number 23-0533/1 | Introduction Number AB-0086 | |
| Description permissible financial aid reductions in higher education | | |
| Fiscal Effect | | |
| State: <input checked="" type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs | | |
| Local: <input checked="" type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs 3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 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 <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <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 | | |
| 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 | | |
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Fiscal Estimate Narratives

UWS 3/15/2023

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Assumptions Used in Arriving at Fiscal Estimate

The bill would prohibit UW System institutions from reducing gift aid that the institution has offered to a student because the student has received a private or external "last-dollar scholarship" from a Wisconsin-based entity unless certain circumstances apply.

"Gift aid" is defined in the bill as all financial aid that is not a loan or work-study program and includes grants, scholarships, tuition waivers, and third-party payments. "Last-dollar scholarship" is defined as gift aid awarded to a student to meet any of the student's financial need not met by federal, state, or institutional gift aid.

Under the bill, a higher education institution may reduce the amount of a student's offered gift aid in order to comply with the individual or team financial aid restrictions of a governing national intercollegiate athletic association. Additionally, under the bill an institution may reduce the amount of offered gift aid if the student's total gift aid from all sources exceeds the student's financial need, and the institution may further reduce a student's offered gift aid if the institution receives approval to do so from the organization that has awarded the private or external scholarship that triggered the student's total gift aid exceeding the student's financial need.

Long-Range Fiscal Implications

Due to federal regulations regarding caps to aid eligibility per year, there would not be a change in dollars awarded at institutions due to this bill.

For most institutions, this bill would not change current procedures and therefore would have minimal financial impact. Institutions would likely need to apply more consistent and explicit documentation of compliance with the requirement, which would add 1-2 minutes for every student for whom a reduction in aid is needed to avoid the student receiving aid in excess of need. Additionally, there would be additional time needed for financial aid directors to document and answer questions that may arise to confirm compliance with this requirement. Costs would be marginal but would add duplicative compliance requirements on top of what is already being performed.

The complete fiscal impact is unclear until guidelines are established for the provisions in the bill.