

Fiscal Estimate - 2023 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 23-2112/1	Introduction Number SB-0095
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Description
 permissible financial aid reductions in higher education

Fiscal Effect

State:

- No State Fiscal Effect
- Indeterminate
 - Increase Existing Appropriations
 - Decrease Existing Appropriations
 - Create New Appropriations
- Increase Existing Revenues
- Decrease Existing Revenues
- Increase Costs - May be possible to absorb within agency's budget
 - Yes No
- Decrease Costs

Local:

- No Local Government Costs
 - Indeterminate
 - 1. Increase Costs Permissive Mandatory
 - 2. Decrease Costs Permissive Mandatory
 - 3. Increase Revenue Permissive Mandatory
 - 4. Decrease Revenue Permissive Mandatory
- 5. Types of Local Government Units Affected**
- Towns Village Cities
 - Counties Others
 - School Districts 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	

Agency/Prepared By	Authorized Signature	Date
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Fiscal Estimate Narratives

UWS 3/15/2023

LRB Number	23-2112/1	Introduction Number	SB-0095	Estimate Type	Original
Description permissible financial aid reductions in higher education					

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.