

Fiscal Estimate - 2001 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 01-3794/1	Introduction Number SB-256	
Subject National guard tuition grants		
Fiscal Effect		
State: <input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input checked="" type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input checked="" 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 checked="" type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs		
Local: <input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs 3. <input type="checkbox"/> Increase Revenue 5. Types of Local Government Units Affected <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities 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"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts		
Fund Sources Affected Affected Ch. 20 Appropriations <input checked="" type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.465(2)(a)		
Agency/Prepared By DMA/ Lucinda Fritchen (608) 242-3156	Authorized Signature Lucinda Fritchen (608) 242-3156	Date 10/1/01

Fiscal Estimate Narratives

DMA 10/1/01

LRB Number	01-3794/1	Introduction Number	SB-256	Estimate Type	Original
Subject					
National guard tuition grants					

Assumptions Used in Arriving at Fiscal Estimate

There are several different factors entering into the computation of the \$1,825,000 short fall for the Department of Military Affairs' Tuition Grant Program for the 2001-2003 biennium.

First, when the Biennial Budget was taken up in conference committee, a drafting error occurred which created a structural deficit. Section 21.49(3)(a) reads "... is eligible for a tuition grant equal to 100% of the actual tuition charged by the school or 100% of the maximum resident undergraduate tuition charged by the university of Wisconsin-Madison for a comparable number of credits, whichever amount is less." In conference committee, the dollars appropriated to this program were reduced to an 85% reimbursement level across the board, however, the language changed only the second 100% to 85%. This meant that students whose tuition was lower than 85% of UW-Madison's, would still receive 100% reimbursement. Ultimately, the Governor vetoed the 85% provision in 2001 WI Act 16 and the combined result created a structural deficit of approximately \$1,285,000.

In addition, during the third quarter of the 2000-01 fiscal year, the Department submitted a request to Joint Finance requesting a supplement under s. 13.10 for an additional \$555,000 to support anticipated tuition grant costs in this fiscal year. Joint Finance decided to supplement only \$302,500 of these costs, deferring the remaining \$252,500 into the 2001-2003 biennium. At this time, the Department has processed approximately \$245,000 in grants pertaining to fiscal year 2001.

The final component which has impacted the amount of the projected structural deficit is related to the University of Wisconsin tuition increases in the 2001-2003 academic years. The Biennial Budget submission prepared by the Department and all grant calculations used during the course of the Biennial Budget process, assumed a tuition increase of 5% in each academic year. For the 2001-2002 academic year, the Technical College system stayed within these parameters, however, for the 2002-2003 academic year the UW system increased tuition 8.5%. The Department believes this impact to be approximately \$425,000.

Long-Range Fiscal Implications

Approval of this request, will result in the increase of the Department's Tuition grant base.

Fiscal Estimate Worksheet - 2001 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

LRB Number 01-3794/1		Introduction Number SB-256	
Subject			
National guard tuition grants			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
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	1,825,000		
TOTAL State Costs by Category	\$1,825,000		\$
B. State Costs by Source of Funds			
GPR	1,825,000		
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			
SEG/SEG-S			
TOTAL State Revenues	\$		\$
NET ANNUALIZED FISCAL IMPACT			
	<u>State</u>	<u>Local</u>	
NET CHANGE IN COSTS	\$1,825,000		\$
NET CHANGE IN REVENUE	\$		\$
Agency/Prepared By		Authorized Signature	
DMA/ Lucinda Fritchen (608) 242-3156		Lucinda Fritchen (608) 242-3156	
		Date	
		10/1/01	