

Fiscal Estimate Narratives

UWS 10/24/2005

LRB Number	05-2508/3	Introduction Number	AB-743	Estimate Type	Original
Description The method by which the amounts to be appropriated for higher education grants, tuition grants, and Lawton minority undergraduate grants are calculated and making appropriations					

Assumptions Used in Arriving at Fiscal Estimate

This legislation changes the formula used to calculate the amount appropriated for Wisconsin Higher Education and Lawton grants for UW System students. Specifically, beginning in fiscal year 2006-07, the amounts appropriated will be determined by increasing the base amount for these appropriations by the greater of the highest percentage increase determined under current law or the amount obtained by multiplying the increase in the undergraduate academic fees charged for a student to attend the UW-Madison for the current academic year over the previous academic year by the number of students who received the grants for the previous academic year.

This estimate uses the 2005-06 tuition increase of 6.9% for 2006-07 even though 2006-07 tuition levels and percentage increases have not yet been set. Thus the UW-Madison tuition increase is estimated to be \$388 in 2006-07. It also assumes that the number of Lawton Grant recipients in 2003-04(2,707) will remain the same.

Given these assumptions and using the proposed calculation method, the increase in the Lawton grant appropriation, calculated according to dollar increase in tuition, is estimated to be \$1,050,316 for 2006-07. Because the 2005-07 biennial budget provided an increase of \$313,100 in the 2006-07 Lawton grant appropriation, it is estimated that the proposed legislation would require an additional appropriation increase of \$737,200 above present levels.

The calculations used to determine the Wisconsin higher education grant appropriation will also increase as part of this legislation. However, this program is not administered by UW System and is not part of the calculations provided in this fiscal estimate.

Long-Range Fiscal Implications

The appropriation costs will probably increase in subsequent years, given higher tuition costs and growth in the number of Lawton grant recipients.

Fiscal Estimate Worksheet - 2005 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

LRB Number 05-2508/3	Introduction Number AB-743
------------------------------------	--

Description
 The method by which the amounts to be appropriated for higher education grants, tuition grants, and Lawton minority undergraduate grants are calculated and making appropriations

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	737,200	
TOTAL State Costs by Category	\$737,200	\$

B. State Costs by Source of Funds

GPR	737,200	
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	\$737,200	\$
NET CHANGE IN REVENUE	\$	\$

Agency/Prepared By	Authorized Signature	Date
UWS/ Leslie Perelman (608) 262-5850	Freda Harris (608) 263-5679	10/24/2005