

Fiscal Estimate - 2007 Session

Original Updated Corrected Supplemental

LRB Number 07-1859/1		Introduction Number AB-0389	
Description The maximum amount of an academic excellence higher education scholarship			
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"/> Decrease Existing Appropriations		<input type="checkbox"/> Decrease Existing Revenues	
<input type="checkbox"/> Create New Appropriations		<input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget	
		<input type="checkbox"/> Yes <input type="checkbox"/> No	
		<input type="checkbox"/> Decrease Costs	
Local:			
<input type="checkbox"/> No Local Government Costs			
<input checked="" type="checkbox"/> Indeterminate			
5. Types of Local Government Units Affected			
1. <input checked="" type="checkbox"/> Increase Costs		3. <input type="checkbox"/> Increase Revenue	
<input type="checkbox"/> Permissive <input checked="" type="checkbox"/> Mandatory		<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
2. <input type="checkbox"/> Decrease Costs		4. <input checked="" type="checkbox"/> Decrease Revenue	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		<input type="checkbox"/> Permissive <input checked="" type="checkbox"/> Mandatory	
		<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 checked="" 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			
Agency/Prepared By	Authorized Signature		Date
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Fiscal Estimate Narratives

WTCS 6/14/2007

LRB Number	07-1859/1	Introduction Number	AB-0389	Estimate Type	Original
Description The maximum amount of an academic excellence higher education scholarship					

Assumptions Used in Arriving at Fiscal Estimate

AB 389 modifies the operating requirements of the Academic Excellence Higher Education Scholarship Program by eliminating the maximum award amount so that a designated scholar who enrolls in a WTCS college is exempt from all tuition and fees. As with the current program, the scholarship costs would continue to be shared equally between the Higher Educational Aids Board (HEAB) and the WTCS college in which a designated scholar enrolls.

HEAB administers the program and designates scholars based on grade point average with the total number of designated scholars fixed by statute and dependent on the number and size of Wisconsin high schools. Designated scholars who enroll in a WTCS college are currently entitled to a scholarship that exempts them from tuition and fees up to a maximum of \$2,250 per academic year. HEAB pays one-half of the tuition and fee costs, up to a maximum of \$1,125 per academic year. The technical college in which a designated scholar enrolls is responsible for the other half of tuition and fees, up to a per student maximum of \$1,125 per academic year.

In 2004-05, 32 WTCS students received Academic Excellence Scholarships at an average cost of \$1,206. In 2005-06, 26 WTCS students received Academic Excellence Scholarships. The average scholarship amount was \$1,062 with WTCS students receiving a total of \$27,618 in Academic Excellence Scholarships.

Eliminating the maximum would increase the tuition and fees costs that WTCS colleges would be required to pay for each designated scholars who enrolls in a WTCS college. Exact costs would be affected by whether designated scholars enroll in Liberal Arts or post-secondary/vocational adult courses, which have different per credit tuition costs; material fees also vary by program.

Given 2007-08 tuition and fee rates and assuming 30 designated scholars enroll at a WTCS college, 2007-08 scholarship costs under the proposed bill could reach and estimated \$83,115. Comparing this estimate to 2005-06 costs, it seems likely that eliminating the scholarship maximum could quadruple local technical college costs for the program.

Considering that state aid to WTCS colleges has remained stagnant since 2001, WTCS colleges would need to use other revenues, such as local property taxes, to offset the cost increases such as that proposed through AB 389.

Long-Range Fiscal Implications

The long-range fiscal impact of AB 389 would be affected by the number of designated scholars who attend WTCS colleges and changes in tuition and fees. Increases in tuition and fees would increase the costs that local WTCS colleges must pay, assuming similar numbers of designated scholars enroll at WTCS colleges.