

Fiscal Estimate Narratives

UWS 5/2/2017

LRB Number	17-2329/1	Introduction Number	SB-214	Estimate Type	Original
Description creating a program for reimbursing the higher education debt of small farm operators, creating an individual income tax deduction for certain amounts received from such a program, granting rule-making authority, making an appropriation, and providing a penalty					

Assumptions Used in Arriving at Fiscal Estimate

Fiscal Estimate: SB 214

Introduction

This bill establishes a program for reimbursing individuals who operate small farm for their higher education debt.

Analysis

To be eligible for this program, the individual must be a state resident who graduated from an accredited public or nonprofit institution with an associate's or baccalaureate degree, have completed the Farm and Industry Short Course (FISC) offered by the University of Wisconsin (UW) System, or have obtained a technical college diploma or certificate in agriculture or a field related to agriculture. The individual must operate a small farm and apply for the reimbursement within five years of graduating with the requisite degree or completing the short course. The individual must also intend to operate the farm for at least five years after applying for the reimbursement. Only one person is eligible from each small farm.

This program would be primarily administered by the Higher Education Aids Board (HEAB). HEAB will create an application process, consider applications, and provide the awards to individuals.

The role of UW will be limited to verifying information on an application. Specifically, an institution will have to confirm whether an applicant graduated with an Associate or Bachelor's degree from their institution or whether they completed FISC.

Given the limited population of individuals eligible for this award, UW institutions will likely be able to absorb the cost associated with verifying whether a student graduated from their institution or took the FISC.

The bill appropriates up to \$120,000 in 2017-18 and increases that maximum to \$600,000 in 2021-22. The amount awarded to a recipient is \$30,000 or the total amount of the individual's outstanding higher education debt, whichever is less. If we assume that each individual receives the maximum \$30,000 award, this bill would affect 4-20 individuals. Verifying the attendance of 4-20 students could be done at little cost and be absorbed by the UW System.

Long-Range Fiscal Implications