

Fiscal Estimate - 2017 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 17-3084/2	Introduction Number SB-290
------------------------------------	--

Description
 three-year bachelor's degree statements for University of Wisconsin System universities

Fiscal Effect

State:

<input type="checkbox"/> No State Fiscal Effect	<input type="checkbox"/> Increase Existing Revenues	<input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Decrease Costs
<input type="checkbox"/> Indeterminate	<input type="checkbox"/> Decrease Existing Revenues	
<input type="checkbox"/> Increase Existing Appropriations		
<input type="checkbox"/> Decrease Existing Appropriations		
<input type="checkbox"/> Create New Appropriations		

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"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
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	

Fund Sources Affected	Affected Ch. 20 Appropriations
<input checked="" type="checkbox"/> GPR <input type="checkbox"/> FED <input checked="" type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	

Agency/Prepared By UWS/ Adrienne Eccleston (608) 262-5850	Authorized Signature Renee Stephenson (608) 263-4422	Date 6/26/2017
---	--	--------------------------

Fiscal Estimate Narratives

UWS 6/26/2017

LRB Number	17-3084/2	Introduction Number	SB-290	Estimate Type	Original
Description three-year bachelor's degree statements for University of Wisconsin System universities					

Assumptions Used in Arriving at Fiscal Estimate

This bill requires each university in the University of Wisconsin (UW) System submit statements to the Board of Regents regarding how students could complete majors for baccalaureate degrees within three academic years. The statements must begin with the fall semester of a student's first academic year. By January 1, 2018 the bill requires a university to submit statements for at least 25 percent of the baccalaureate degree programs offered by the university. By June 30, 2020, the bill requires a university to submit statements for at least 50 percent of such programs.

The bill allows advanced placement credit, international baccalaureate program credit, summer coursework, and youth options credit to be included in the statements as methods to attaining a baccalaureate degree in three academic years. The statements may include completing coursework online or at technical colleges. In addition, statements may waive foreign language requirements based on satisfying a proficiency examination specified by the university.

The bill requires the university to post the statement on the university's Internet site. The Board of Regents is required to provide copies of the statement to the state superintendent of public instruction. The state superintendent of public instruction must provide copies to the school boards that operate high school grades, operators of charter schools that operate high school grades, and governing bodies of private high schools that participate in parental choice or special needs scholarship programs under current law. Those entities must make copies available to high school principals, guidance counselors, or equivalent positions. The bill also requires the Board of Regents and UW-Madison chancellor to include information about baccalaureate degrees awarded within three academic years in annual accountability reports that must be submitted to the governor and legislature under current law. This includes 1) the number of baccalaureate degree awarded that were completed within three academic years, and the percentage of baccalaureate degree programs for which statements were submitted to the Board of Regents under the bill.

In order to provide this estimate, data and input was collected from the UW System Office of Academic & Affairs as well as limited input from individual institutions. The estimate does not include ongoing marketing costs, advising, and additional utility costs once the program has been implemented.

UW System institutions collectively offer a total of 756 bachelor degrees. Currently four year graduation plans are in place for all programs. Modifications to those plans would need to be made to comply with this bill. Most bachelor degrees require a student to complete 120 credits to graduate. In fall 2016, 2,234 UW System new freshmen (7.8% of all new freshmen) entered with sophomore or higher standing. Students with a sophomore standing have 30 or more credits. It is important to note that some institutions accept more advanced placement, international baccalaureate, and youth options credits and some accept less. UW-Madison, for example, only accepts nine credits from advanced placement, international baccalaureate, and youth options exams or completions. Students entering with thirty or more credits will still likely have to take classes during summer sessions or more courses would need to be offered during the academic year to ensure availability to graduate in three years. If the student came in with fewer credits, which is much more likely, the student would need to enroll in more summer sessions to graduate in three years.

To develop a three year graduation model and enter each plan into the SIS or DAR system that would track the three year degree graduation rate, each institution would need to hire a project manager in the Office of the Registrar. If the personnel was hired on a temporary basis for a nine month project appointment the average salary would be expected to be \$35,000. \$35,000 multiplied by twelve institutions would be about \$420,000. This is a conservative estimate because larger institutions may need more than one appointment. Other institutions may need to hire the project manager for more than nine months or create an ongoing FTE position to manage the three year degrees.

The Advising Office at each institution would need to update an average of 15-20 advising program planning sheets (25% of 756 bachelor degrees) in collaboration with the academic department chairpersons to expand program offerings during the academic year and the summer to achieve three year graduation rates. This would involve faculty who are already being paid, but it would require additional personnel in the Advising Office perhaps as an LTE or Project Appointment to coordinate the project and to interact with departments. Project appointment or LTE to complete this work would average \$35,000 per

institution for an average of \$420,000.

To make the three year degree programs feasible additional general education and major course offerings would need to be added. Offering additional general education courses in the summer, assuming no new faculty are hired, would cost \$4,000 in salary per course. On average, institutions estimate they would need to offer 20 more general education courses in the summer. This amounts to \$80,000 per year just for faculty salaries at the adjunct level. Multiplied by twelve institutions this is \$960,000. Institutions estimate that additional course offerings that apply to a student's major will also need to be added in the summer to achieve the possibility of a three year degree. On average, institutions would need to offer 25 additional courses per year, or two additional courses per major. Institutions estimate the total in salary for these additional courses would be \$200,000 per summer per institution for a total of \$2,400,000.

Tuition should cover much of the cost of the faculty salary. The percentage of the total cost of education paid by resident undergraduate students in 2015-16 was 72%. The cost per student calculation is based on standard accounting procedures that identify direct and indirect student-related costs funded by GPR and tuition. The calculation includes the direct costs of instruction, student services, and academic support. Therefore the total estimated amount of the faculty salaries covered by GPR is \$941,000.

Long-Range Fiscal Implications

Although the LTEs would only last for about nine months, the additional courses during the summer and the academic year would need to double by 2020. Therefore, long-range implications could be, at minimum, \$1,882,000 per year.

Fiscal Estimate Worksheet - 2017 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

LRB Number 17-3084/2	Introduction Number SB-290	
Description three-year bachelor's degree statements for University of Wisconsin System universities		
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):		
<p>To develop a three year graduation model and enter each plan into the SIS or DAR system that would track the three year degree graduation rate, each institution would need to hire a project manager in the Office of the Registrar. If the personnel was hired on a temporary basis for a nine month project appointment the average salary would be expected to be \$35,000. \$35,000 multiplied by twelve institutions would be about \$420,000. This is a conservative estimate because larger institutions may need more than one appointment. Other institutions may need to hire the project manager for more than nine months or create an ongoing FTE position to manage the three year degrees. The Advising Office at each institution would need to update an average of 15-20 advising program planning sheets (25% of 756 bachelor degrees) in collaboration with the academic department chairpersons to expand program offerings during the academic year and the summer to achieve three year graduation rates. This would involve faculty who are already being paid, but it would require additional personnel in the Advising Office perhaps as an LTE or Project Appointment to coordinate the project and to interact with departments. Project appointment or LTE to complete this work would average \$35,000 per institution for an average of \$420,000. Combined these one-time costs equal \$840,000.</p>		
II. Annualized Costs:		
	Annualized Fiscal Impact on funds from:	
	Increased Costs Decreased Costs	
A. State Costs by Category		
State Operations - Salaries and Fringes	\$1,882,000	\$
(FTE Position Changes)		
State Operations - Other Costs		
Local Assistance		
Aids to Individuals or Organizations		
TOTAL State Costs by Category	\$1,882,000	\$
B. State Costs by Source of Funds		
GPR	1,882,000	
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	\$1,882,000	\$
NET CHANGE IN REVENUE	\$	\$
Agency/Prepared By		
Authorized Signature		Date
UWS/ Adrienne Eccleston (608) 262-5850	Renee Stephenson (608) 263-4422	6/26/2017