Fiscal Estimate - 2005 Session

	Original		Updated		Corrected		Supplemental
LRB N	umber	05-2499/1	*	Introd	duction Numb	per A	B-318
Subject							
Exempting veterans from tuition at UW and tech colleges							
Fiscal Ef	fect					· · · · · · · · · · · · · · · · · · ·	
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Local: No Local Government Costs Indeterminate 1. Increase Costs Permissive Mandatory 2. Decrease Costs Permissive Mandatory Permissive Mandatory Permissive Mandatory Permissive Mandatory Permissive Mandatory Permissive Mandatory Districts 5. Types of Local Government Units Affected Towns Village Cities Counties Others School WTCS Districts							
Fund Sources Affected Affected Ch. 20 Appropriations GPR FED PRO PRS SEG SEGS s.20.485 (2)(tf) & (2)(th)							
Agency/l	Prepared B	у	A	uthorized S	ignature		Date
DVA/ Zolo	onda Eubar	nks (608) 264-7	072 W	illiam Kloste	er (608) 266-2256	3	4/18/2005

Fiscal Estimate Narratives DVA 4/19/2005

LRB Number 05-2499/1	Introduction Number	AB-318	Estimate Type	Original		
Subject						
Exempting veterans from tuition at UW and tech colleges						

Assumptions Used in Arriving at Fiscal Estimate

The proposed bill will exempt any veteran who is a resident of the state a remission of 50% of the cost of tuition and fees at any University of Wisconsin institution or technical college.

Under current law, a veteran who is a resident of the state is reimbursed 100% of the cost of the tuition and fees that attend an UW institution or technical college.

The new proposed legislation would require the UW system and technical colleges to exempt 50% of a veteran's tuition and fees, thus providing 50% or a \$2,621,448 cost savings annually to the department's trust fund.

For purposes of this fiscal estimate, the following assumptions was used in a arriving at the savings to the trust fund:

In FY04 total expenditures for the Part Study Grant (PTSG) and Tuition and Fee Reimbursement Grant (TFRG) from the UW system and technical colleges were \$4,153,170, of that amount \$594,778 was from the technical colleges (14.3 %) and \$2,721,873 were from the UW system (65.5%) The estimated savings in FY04 given the 50% waiver (tech colleges $594,778 \times 0.50 = 297,389$ and UW system $2,721,873 \times 0.50 = 1,360,936$) would have been \$1,658,325.

Based on the projected expenditures for FY05 at 6,565,250, the projected cost savings would be 2,621,448 annually (technical colleges $6,565,250 \times 14.3\% = 940,213$ and UW system $6,565,250 \times 65.5\% = 4,302,683$; $940,213+4,302,683=5,242,896 \times 50\%$)see attachment.

Long-Range Fiscal Implications

ANNUAL ESTIMATED COST SAVINGS TO THE VETERANS TRUST FUND FROM AB 318

				FY04	Est. FY05	Est. FY05 Est. FY05
	FY04	FY04	FY04	Savings from% of FY0. Based on Savings from	70 Based on	Savings from
	TFRG	PTSG	Total	50% Waiver Tota	FY04 Pct.	50% Waiver
Tech Collages \$ 423,064	\$ 423,064	\$ 171,714 \$	594,778	\$ 171,714 \$ 594,778 \$ 297,389 14.3% \$ 940,213 \$ 470,107	% \$ 940,213	\$ 470,107
UW System \$ 2,159,531		\$ 562,342 \$2,721,873 \$ 1,360,936	32,721,873	\$ 1,360,936 65.5	% \$ 4,302,683	\$ 2,151,342
		TOTAL SAVINGS			\$ 2,621,448	\$ 2,621,448
FY04 Total Reimbursements	ents	\$ 4,153,170				
Est. FY05 Total Reimbursements	sements	\$ 6,565,250				

Fiscal Estimate Worksheet - 2005 Session

Detailed Estimate of Annual Fiscal Effect

State Costs by Category	Original Updated	d Corrected	Supplemental
Exempting veterans from tuition at UW and tech colleges 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 A. State Costs by Category State Operations - Salaries and Fringes (FTE Position Changes) State Operations - Other Costs Local Assistance Aids to Individuals or Organizations -2,621,44 I TOTAL State Costs by Category S. State Costs by Source of Funds GPR FED PRO/PRS SEG/SEG-S -2,621,44 III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, ets.) I ncreased Rev GPR Earned FED PRO/PRS SEG/SEG-S TOTAL State Revenues S. SEG/SEG-S TOTAL State Revenues SEG/SEG-S TOTAL STATE ANNUALIZED FISCAL IMPACT SEG/SEG-S SEG/SEG-S SEG/SEG-S TOTAL STATE ANNUALIZED FISCAL IMPACT SEG/SEG-S	LRB Number 05-2499/1	Introduction Number	r AB-318
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SEG/SEG-S			
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