

Fiscal Estimate - 2005 Session

Original Updated Corrected Supplemental

LRB Number **05-0709/1** Introduction Number **AB-87**

Subject
 Nonresident tuition exemption for dependents of members of armed forces

Fiscal Effect

State:

No State Fiscal Effect
 Indeterminate

Increase Existing Appropriations Increase Existing Revenues Increase Costs - May be possible to absorb within agency's budget
 Decrease Existing Appropriations Decrease Existing Revenues Yes No
 Create New Appropriations Decrease Costs

Local:

No Local Government Costs
 Indeterminate

1. Increase Costs 3. Increase Revenue
 Permissive Mandatory Permissive Mandatory
 2. Decrease Costs 4. Decrease Revenue
 Permissive Mandatory Permissive Mandatory

5. Types of Local Government Units Affected
 Towns Village Cities
 Counties Others
 School Districts WTCS Districts

Fund Sources Affected **Affected Ch. 20 Appropriations**

GPR FED PRO PRS SEG SEGS

Agency/Prepared By UWS/ Leslie Perelman (608) 262-5850	Authorized Signature Freda Harris (608) 263-5679	Date 2/16/2005
--	--	--------------------------

Fiscal Estimate Narratives
UWS 2/16/2005

LRB Number	05-0709/1	Introduction Number	AB-87	Estimate Type	Original
Subject					
Nonresident tuition exemption for dependents of members of armed forces					

Assumptions Used in Arriving at Fiscal Estimate

This proposed legislation grants nonresident tuition exemptions to dependents of active duty armed forces personnel who are eligible for Wisconsin veterans benefits, but who might no longer be residents of Wisconsin. Presently, in s. 36.27(2)(b), nonresident tuition exemptions are awarded to certain members of the armed forces and their spouses and children. In the proposed legislation, the USC (United States Code) definition of a dependent is used, which includes a much broader category, such as in-laws, step siblings and unrelated individuals. In addition, the definition itself is based on a means test. We have no basis for determining how many armed forces members, eligible for Wisconsin veterans benefits, might have dependents (as defined according to the USC broad definition) who are not already residents of the state. In addition, we cannot determine how many of these individuals would, in turn, also choose to attend UWS institutions.

For any individual, who might otherwise be considered a nonresident, but who fits these legislative criteria and attends the institution, a campus would lose the potential tuition dollar difference between instate and nonresident tuition. This ranges between \$10,000 and \$14,000 per year per undergraduate, depending on the institution.

If a means test were also required to make the determinations, there would be additional staff time and costs incurred. Without a sense of the numbers of individuals involved, this cannot be estimated at this time.

Long-Range Fiscal Implications