



## Fiscal Estimate Narratives

WTCS 3/5/2008

LRB Number	07-2232/3	Introduction Number	SB-539	Estimate Type	Original
<b>Description</b> Tuition fee remission for certain spouses of eligible veterans					

### Assumptions Used in Arriving at Fiscal Estimate

This bill expands eligibility for full tuition remission at WTCS institutions but does not appropriate funds to cover the additional costs.

The 2007-09 Biennial Budget Act included \$11.6 million in GPR to partially fund the cost of the veterans' tuition remission program for WTCS and the UW System. However, the Legislative Fiscal Bureau noted that this amount is expected to cover only approximately 22% of total remission costs. This bill would reduce further the proportion of remission costs funded by the State.

If GPR funding sufficient to cover the full costs of providing tuition remissions for veterans and their dependents is not provided, the cost of providing the remission must be covered by non-veteran WTCS students and property tax payers.

### Long-Range Fiscal Implications

The number of veterans and veterans' dependents requesting tuition remissions is significantly higher than previously projected. The number and value of remissions provided doubled in the first two years of the program. Annual remissions increased from \$784,000 to \$1.6 million for a total of \$2.4 million over the first two years. Based on enrollments through the first five months of the 2007-08 academic year, technical colleges have already exceeded program costs from last year, remitting a total of \$1.8 million in tuition and fees to veterans and their dependents. The current projection of annual remission costs for this year is approximately \$5 million.

The future cost of tuition remissions for veterans and their dependents is difficult to estimate because of: 1) changes in program eligibility; 2) the volatility in the number of eligible participants, the average number of credits taken, and tuition rates; and 3) the cumulative effect of continuing participation and new enrollments.