

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 TFRG	FY04 PTSG	FY04 Total	FY04 Total	FY04 Savings from 50% Waiver	FY04 Total	Est. FY05 Based on FY04 Pct.	Est. FY05 Savings from 50% Waiver
Tech Collages	\$ 423,064	\$ 171,714	\$ 594,778	\$ 297,389	14.3%	\$ 940,213	\$ 470,107	
UW System	\$ 2,159,531	\$ 562,342	\$ 2,721,873	\$ 1,360,936	65.5%	\$ 4,302,683	\$ 2,151,342	
		TOTAL SAVINGS		\$ 1,658,325			\$ 2,621,448	

FY04 Total Reimbursements \$ 4,153,170

Est. FY05 Total Reimbursements \$ 6,565,250

Fiscal Estimate Worksheet - 2005 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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Subject			
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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	Decreased 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		-2,621,448	
TOTAL State Costs by Category	\$	\$-2,621,448	
B. State Costs by Source of Funds			
GPR			
FED			
PRO/PRS			
SEG/SEG-S		-2,621,448	
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		\$-2,621,448	\$
NET CHANGE IN REVENUE		\$	\$
Agency/Prepared By		Authorized Signature	Date
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