

Fiscal Estimate Narratives

WTCS 7/6/2005

LRB Number	05-3221/3	Introduction Number	AB-506	Estimate Type	Original
Subject					
Reconciliation of budget bill and recodification of ch. 45					

Assumptions Used in Arriving at Fiscal Estimate

If enacted, AB 506 would require Wisconsin Technical College District Boards to grant to any veteran who is a resident of this state a remission equal to 50 percent of the cost of tuition and fees for 128 credits or eight semesters, whichever is longer. Eligibility is not restricted by time or household income of the veteran.

Currently, the Department of Veterans Affairs funds two programs that reimburse Veterans for Wisconsin Technical College tuition and fees. The Veterans Tuition and Fee reimbursement grants provides reimbursement, upon an eligible veteran's successful completion of a semester, of up to 100% of the cost of the individual's tuition and fees, less any other grants or scholarships received, based on the costs of a UW-Madison resident undergraduate. These grants cannot be used for part-time study (less than 12 credits per semester). Veterans are eligible for reimbursement for up to 120 credits or eight full-time semesters of study and may receive reimbursement only for credits begun prior to the 10-year anniversary of their separation from active duty. Eligibility is restricted to veterans with incomes of \$50,000 or less (plus \$1,000 for each dependent in excess of two). In 2003-04, the Department of Veterans Affairs reimbursed \$487,600 in WTCS tuition and fees to veterans under the Veterans Tuition and Fee Reimbursement Grant program.

The Veterans Part-Time Study and Correspondence Course Grants provides reimbursement of up to 100% of the cost of the eligible veteran's undergraduate tuition and fees, less any other grants or scholarships received, based on the costs of a UW-Madison resident undergraduate. Eligibility is restricted to veterans with annual household incomes of \$50,000 (plus \$1,000 for each dependent in excess of two). In 2003-04, the Department of Veterans Affairs reimbursed \$199,343 in WTCS tuition and fees to veterans under the Veterans Part-time Study and Correspondence Course Grant program.

In 2003-04, the Department of Veterans Affairs reimbursed a total of \$686,943 in WTCS tuition and fees to veterans under the Veterans Tuition and Fee Reimbursement Grant and the Veterans Part-time Study and Correspondence Course Grant programs.

Assuming no change in participation in these two reimbursement grant programs, the annual cost of funding a 50% tuition and fee remission for WTCS students who are veterans would equal \$343,472.

The Department of Veterans Affairs estimates a significant participation increase in both tuition reimbursement grant programs in 2004-05 and beyond. For FY 2004-05, the Department of Veterans Affairs is estimating it will reimburse a total of \$940,213 in WTCS tuition and fees to veterans under the Veterans Tuition and Fee Reimbursement Grant and the Veterans Part-time Study and Correspondence Course Grant programs. Based on this estimate, providing a 50% tuition and fee remission for WTCS students who are veterans would cost WTCS colleges approximately \$470,107 annually.

Long-Range Fiscal Implications

If enacted, AB 506 would increase eligibility for tuition and fee remissions to veterans with household incomes over \$50,000, and therefore, could increase participation in and the cost of two programs administered by the Department of Veterans Affairs: The Veterans Tuition and Fee Reimbursement Grants and the Veterans Part-Time Study and Correspondence Course Grants.

AB 506 would shift 50% of the cost of providing tuition and fee reimbursements to WTCS students who are veterans from the Department of Veterans Affairs to WTCS colleges. Based on annual cost estimates of the Department of Veterans Affairs, shifting 50% of the cost of providing tuition and fee reimbursements to WTCS students who are veterans would reduce the technical colleges annual revenues by an estimated \$470,107, without providing a corresponding decrease in the cost of providing these programs. If program participation increases from estimated 2004-05 levels, so would the WTCS colleges annual revenue loss. Since AB 506 does not provide GPR to the technical colleges to fund these remissions, the estimated annual revenue loss resulting from a 50% tuition and fee remission to WTCS who are veterans would be funded by other WTCS revenue sources: non-veteran student tuition and the property tax.