

Fiscal Estimate Narratives
WTCS 3/30/2007

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|---|------------------|---------------------|---------------|---------------|-----------------|
| LRB Number | 07-1517/3 | Introduction Number | SB-100 | Estimate Type | Original |
| Description Eligibility for tuition fee remission for certain veterans and their spouses, surviving spouses, and children | | | | | |

Assumptions Used in Arriving at Fiscal Estimate

SB-100 adds tuition remission eligibility for the spouse, unremarried surviving spouse or child of a veteran if the veteran is a Wisconsin resident and was a resident for at least 10 continuous years before the student registers. SB-100 expands current law, which requires that a veteran was a state resident when s/he entered service for their spouse or child to qualify for tuition remission.

Under current law, the WTCS experienced an increase of about 50% in the enrollment of qualifying veterans and their spouses and children from 2005-06 to 2006-07. Local WTCS colleges incurred over \$700,000 in tuition remission costs for spouses and children of qualifying veterans during this period. The cost of remissions for the spouses and children of qualifying veterans increased 73% from \$258,170 in 2005-06 to \$447,354 in 2006-07, with additional remission costs increases possible during the spring 2007 semester under the provisions of the current law. The WTCS expects ongoing significant additional cost increases under the remission requirements included in current law.

The eligibility expansions included in SB-100 will likely mean even greater cost increases than experienced under current law. For example, the Wisconsin Department of Veterans Affairs indicates that about 30% of veterans qualify for benefits based on length of residency. This suggests that SB-100 may result in an additional 30 percent enrollment and cost increase beyond the cost increases under current law. Assuming a comparable percentage increase next year suggests \$780,000 in the cost of remissions for qualifying spouses and children based on current law. An additional 30% potential increase under SB-100 would likely increase remission costs by about \$234,000. Therefore, combining the anticipated ongoing cost increase under current law with an additional 30% potential increase expected under SB-100 suggests that 2007-08 costs for spouse and child tuition remissions could more than double to about \$1.0 million next year.

In addition, while the Department of Veterans Affairs certifies qualifying veterans, WTCS colleges and the WTC System Office incur significant administrative work in verifying and documenting the appropriateness of tuition remissions for spouses and children. These costs will continue to increase in conjunction with increases in WTCS enrollment of qualifying veteran spouses and children.

Long-Range Fiscal Implications

Additional significant annual cost increases are expected, based on increases in the number of veterans currently in active service returning or moving to Wisconsin.