

### Fiscal Estimate - 2009 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> <b>09-0726/1</b>	<b>Introduction Number</b> <b>SB-085</b>
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**Description**  
 Eligibility for tuition fee remission for certain veterans and their spouses, surviving spouses, and children

**Fiscal Effect**

**State:**

<input type="checkbox"/> No State Fiscal Effect	<input type="checkbox"/> Increase Existing Revenues	<input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<input checked="" type="checkbox"/> Indeterminate	<input type="checkbox"/> Decrease Existing Revenues	
<input type="checkbox"/> Increase Existing Appropriations		<input type="checkbox"/> Decrease Costs
<input type="checkbox"/> Decrease Existing Appropriations		
<input type="checkbox"/> Create New Appropriations		

**Local:**

<input type="checkbox"/> No Local Government Costs		
<input type="checkbox"/> Indeterminate	<b>5. Types of Local Government Units Affected</b>	
1. <input type="checkbox"/> Increase Costs	3. <input type="checkbox"/> Increase Revenue	<input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Counties <input type="checkbox"/> Others
2. <input type="checkbox"/> Decrease Costs	4. <input type="checkbox"/> Decrease Revenue	<input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	

<b>Fund Sources Affected</b>	<b>Affected Ch. 20 Appropriations</b>
<input checked="" type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	

<b>Agency/Prepared By</b> UWS/ Adam Pfost (608) 262-4836	<b>Authorized Signature</b> Freda Harris (608) 262-2734	<b>Date</b> 3/11/2009
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## Fiscal Estimate Narratives

UWS 3/11/2009

LRB Number	09-0726/1	Introduction Number	SB-085	Estimate Type	Original
<b>Description</b> Eligibility for tuition fee remission for certain veterans and their spouses, surviving spouses, and children					

### Assumptions Used in Arriving at Fiscal Estimate

Eligible veterans and the children, spouses, and surviving spouses of eligible veterans receive a full tuition remission at University of Wisconsin (UW) and Wisconsin Technical College System (WTCS) institutions for 128 credits or eight semesters. For a veteran to be eligible, he or she must have served under honorable conditions in certain types of active duty, be a resident, and have entered service while a resident of this state. For the child, spouse, or surviving spouse to be eligible, the veteran must have entered service while a resident of this state and either died while on duty or have a service-connected disability rating of 30 percent or more while a resident of this state.

This bill adds tuition remission eligibility for a veteran, child, spouse, or surviving spouse if the veteran was a resident of this state for at least ten continuous years after entering service and before the student registers for college.

A similar bill was also introduced in the 2007 session (LRB 07-1517/3). The current version of the bill has an additional section on initial applicability. This language clarifies that the modifications made to section 36.27 and 38.24 first apply to persons who enroll following the effective date of the subsection. It appears that the addition of this subsection prevents newly eligible veterans, children, and spouses from receiving retroactive reimbursements for tuition and fees that have already been paid.

It should be noted that line 6 of section 7 contains a typographical error. The referenced section should be 36.27 (3n) (a) 1.

A fiscal estimate for the bill cannot be determined because key information is not available. It is unclear how many veterans that did not enter service from Wisconsin are currently living in the state. Information on the length of time that these veterans have lived in Wisconsin, the veterans' service records, and the percentage of these veterans with a disability rating of more than 30 percent is not available. However, the following attempts to provide some information about the potential magnitude of the impact.

#### Children and Spouses

The 2007 American Community Survey (ACS) estimates that there are 452,888 veterans living in Wisconsin. This is in line with an estimate of 436,958 veterans posted by the Wisconsin Department of Veterans Affairs (WDVA) based on 2006 estimates. Using September 2008 data from the U.S. Department of Veterans Affairs, WDVA reports that 28,188 veterans in Wisconsin have disability ratings of 30 percent or greater. This would suggest that 6.2 percent of veterans living in Wisconsin meet the disability qualification for their children and spouses to participate in the Wisconsin GI Bill.

To roughly approximate the number of children and spouses that would be eligible for the Wisconsin GI Bill, ACS data is used for veterans that served in the Gulf War period (8/1990 to 8/2001). The survey estimates this number to be 50,255 veterans, which is within approximately 4,000 of the 2000 Census estimate. Veterans serving prior to this war are not included as their children would likely be past the age of a traditional college student. Veterans serving only in the wars following September 2001 are also excluded as most would not have lived in Wisconsin for more than 10 years.

Assuming the 6.2 percent eligibility rate described above, more than 3,000 families of disabled veterans would potentially be eligible for Wisconsin GI Bill benefits. For comparison, there were 835 children and spouses participating in the Wisconsin GI Bill at UW institutions in Fall 2008.

This approximation does not adequately distinguish between veterans that served from Wisconsin and those that did not. It also does not account for veterans that do not have children, veterans with children who have already completed college, veterans from Wisconsin who moved to other states, veterans that have not resided in Wisconsin for more than 10 years, and veterans that may have been dishonorably discharged.

However, the size of the potentially eligible population does speak to the magnitude of the impact on Wisconsin GI Bill remissions.

## Veterans

It is unclear how many veterans would become eligible for the Wisconsin GI Bill and how many of these veterans would choose to pursue higher education. However, in Fall 2008, 993 resident students over the age of 34 self-identified as veterans in the UW System. Also in Fall 2008, 588 UW veterans over age 34 used the Wisconsin GI Bill. The difference between the numbers suggests that there are potentially 405 currently enrolled UW veterans that could become eligible for the Wisconsin GI Bill. Please note that these numbers do not account for veterans that did not self-report, eligible veterans that are not using their Wisconsin GI Bill benefits, and veterans that do not meet the service requirements.

## Additional Considerations

Two additional considerations should also be noted. First, eligible veterans may choose to participate in higher education at a higher rate than their non-traditional student counterparts. Funding is a major barrier for non-traditional students who wish to return to school. Additionally, ACS estimates that 31.5 percent of veterans in Wisconsin over age 24 have some college education or an associate degree. The current economic environment may provide adequate motivation to complete a baccalaureate degree.

Second, because veterans will have lived in Wisconsin for 10 years before gaining eligibility, new participants may already have earned a baccalaureate degree and may concentrate in graduate and professional programs. ACS estimates that 19.8 percent of veterans over age 24 in Wisconsin have a baccalaureate degree or higher. Online MBA programs may be in particularly high demand.

Graduate and professional programs are significantly more expensive than undergraduate programs. The following semester tuition and fee rates apply at UW-Madison in the 2008-09 academic year:

Undergraduate - \$3,782  
Graduate - \$5,009  
Business Masters - \$5,737  
Law - \$7,363  
Medical School - \$11,549

In summary, a dollar value cannot be reliably forecast for the proposed changes to the Wisconsin GI Bill. However, estimates of the potential magnitude of the impact suggest that the expanded eligibility will result in a substantial increase in the value of Wisconsin GI Bill remissions.

## Long-Range Fiscal Implications

This modification to the Wisconsin GI Bill creates a significant incentive for veterans with disabilities to move to Wisconsin. If a veteran from another state uses their Post-9/11 GI Bill benefits to attend a UW institution, the veteran would reach four or five years of residency. If the veteran then chooses to work or pursue graduate work in Wisconsin for an additional five years, the veteran's children and spouse would become eligible for a full tuition remission. This could result in a significant future increase in Wisconsin GI Bill enrollments.