

## 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>	
<b>Description</b> Eligibility for tuition fee remission for certain veterans and their spouses, surviving spouses, and children		
<b>Fiscal Effect</b>		
<b>State:</b>		
<input type="checkbox"/> No State Fiscal Effect <input checked="" type="checkbox"/> Indeterminate		
<input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Create New Appropriations	<input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease 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 type="checkbox"/> Decrease Costs	
<b>Local:</b>		
<input type="checkbox"/> No Local Government Costs <input checked="" type="checkbox"/> Indeterminate		
1. <input checked="" type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input checked="" type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 4. <input checked="" type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input checked="" type="checkbox"/> Mandatory	
5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input checked="" type="checkbox"/> WTCS Districts		
<b>Fund Sources Affected</b>		
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS		
<b>Affected Ch. 20 Appropriations</b>		
<b>Agency/Prepared By</b>	<b>Authorized Signature</b>	<b>Date</b>
WTCS/ Nancy Merrill (608) 267-9514	Morna Foy (608) 266-2449	3/6/2009

## Fiscal Estimate Narratives

WTCS 3/6/2009

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

SB 85 expands existing eligibility for tuition remission of veterans and for the spouse, surviving spouse, or child of disabled or deceased veterans. Current law provides eligibility for 100% tuition remission if the veteran had active duty service under honorable conditions, is a state resident, and was a state resident when they entered service. SB 85 expands the eligibility by eliminating the current statutory requirement that veterans were state residents when they entered service. Under SB 85, veterans and their spouses, surviving spouses, or children qualify if the veteran was a Wisconsin resident for at least 10 continuous years after entering service and before the student registers for college.

Under current law, the WTCS has experienced significant increases in the enrollment of qualifying veterans and their spouses and children and the annual costs of these remissions have increased far beyond original estimates. Participation doubled from the first to second year of the program and increased by another 50% in 2007-08; the cost of remissions increased nearly 500% in the first three years of the program. Since the tuition remission programs were established, the WTCS has provided tuition remissions to 5,884 veterans or veterans' dependents at a cost of approximately \$7.5 million.

For 2007-08 alone, 3,574 eligible applications for remission were received, of these, veterans accounted for 2,939 or 82% while 645 eligible applications from spouses/dependents accounted for 18% of 2007-08 remissions. While \$1.1 million in state aid was provided in 2007-08 to reimburse WTCS colleges for remissions, WTCS colleges actually remitted \$4.94 million in 2007-08 tuition. As a result of the lack of state funding to support existing requirements for reimbursement of remissions of veterans tuition, local property tax payers and other WTCS students offset \$3.84 million in veterans' remission costs in 2007-08.

The proposed expansion of eligibility in SB 85 would likely increase participation, and thus the local costs, of these remissions even more. In addition, implementing this change might draw additional veterans to Wisconsin with the hope of eventually accessing these benefits. Without sufficient state funding to cover the costs of these remissions, the increased costs associated with enactment of SB 85 will be borne entirely by nonveteran students and property taxpayers, and will likely require the reallocation of college revenues.

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 and the colleges incur significantly higher student support costs for veteran students for which no additional state support is provided. These costs will continue to increase in conjunction with increases in WTCS enrollment of qualifying veterans, 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 and anticipated federal efforts to reduce the number in active service starting in 2010.