

Fiscal Estimate Narratives

WTCS 5/23/2011

LRB Number	11-1968/1	Introduction Number	AB-0133	Estimate Type	Original
Description Remission of fees for veterans and their dependents enrolled in the University of Wisconsin System or in a technical college and making an appropriation					

Assumptions Used in Arriving at Fiscal Estimate

The proposed changes to the WI GI Bill included in AB 133 would increase the state costs of providing the WI GI Bill by creating a sum sufficient appropriation that would cover the full cost of up to 128 credits of free postsecondary education at any public Wisconsin Institution of Higher Education (including the WTCS and UWS). For 2009-2010, state appropriations covered \$1.2 million of \$5.7 million in WI GI Bill tuition and fee remissions for 4,241 eligible veterans, spouses and dependents who attended the WTCS. Under the proposed changes in AB 133, the state appropriation would cover the entire \$5.7 million in tuition and fees costs.

AB 133 also changes how credits are counted toward the 128 credit maximum included in the WI GI Bill. Since its inception, state appropriations for the WI GI Bill have covered about 20-21% of the tuition and fee costs of the WI GI Bill so when the federal reimbursement became available, the WI GI Bill was modified to ensure that the federal reimbursement helped offset the unfunded state WI GI Bill costs incurred by colleges. This meant that eligible WI GI Bill participants continued to qualify for a maximum of 128 credits but that local colleges received some federal assistance to offset the unfunded WI GI Bill costs. However, under the proposed change in how AB 133 counts credits toward the 128 credit maximum, eligible participants could use 128 credits of WI GI Bill credits plus up to an additional 4 years worth of federal veterans education eligibility, which increases the WI GI Bill costs that WTCS colleges must pay through other sources.

The increased state costs included under AB 133 are currently being paid by WTCS colleges through a combination of local funds (including local property taxes and tuition and fees paid by other students) and available federal reimbursement to cover the state-mandated WI GI Bill costs that are not covered by federal or state reimbursement. Federal reimbursement for some WI GI Bill costs has only been available since Fall 2009, when the federal Post-9/11 GI Bill went into effect. Unlike other federal veterans education programs, the Post-9/11 GI Bill pays tuition and fees on behalf of eligible veterans directly to colleges while veterans receive direct payment from the federal VA for other portions of their Post-9/11 GI Bill benefit.

In 2009-10, WTCS colleges received \$1.9 million in federal Post-9/11 GI Bill tuition reimbursements. These funds helped offset the short-fall in state support for the \$5.7 million in WI GI Bill costs incurred by WTCS colleges. When the \$1.9 million in federal reimbursement is combined with the \$1.2 million in 2009-10 state reimbursement, WTCS colleges still incurred \$2.6 million in unfunded tuition and fees costs that they paid with local revenues.

Long-Range Fiscal Implications

Assuming recent trends continue in the number of eligible participants who use their WI GI Bill benefits in the WTCS, we expect annual participation to increase by 20%, with similar increases in the costs of credits remitted. Applying a 20% increase to the \$5.7 million in tuition and fees remitted in 2009-10, we expect WTCS costs of WI GI Bill remissions to increase to at least \$6.8 million in 2010-11, \$8.2 million in 2011-12 and \$9.8 million in 2012-13.