

Fiscal Estimate - 2021 Session

☒ Original ☐ Updated ☐ Corrected ☐ Supplemental

LRB Number 21-0100/1	Introduction Number SB-495
Description tuition and fee remission for certain veterans and their dependents enrolled in the University of Wisconsin System or a technical college	
Fiscal Effect State: <div style="display: flex; flex-wrap: wrap;"><div style="width: 33%;"><input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Create New Appropriations</div><div style="width: 33%;"><input type="checkbox"/> Increase Existing Revenues <input checked="" type="checkbox"/> Decrease Existing Revenues</div><div style="width: 33%;"><input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Decrease Costs</div></div> Local: <div style="display: flex; flex-wrap: wrap;"><div style="width: 33%;"><input checked="" type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs 3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory</div><div style="width: 33%;">5. Types of Local Government Units Affected <div style="display: flex; flex-wrap: wrap;"><div style="width: 33%;"><input type="checkbox"/> Towns <input type="checkbox"/> Counties <input type="checkbox"/> School Districts</div><div style="width: 33%;"><input type="checkbox"/> Village <input type="checkbox"/> Others <input type="checkbox"/> WTCS Districts</div><div style="width: 33%;"><input type="checkbox"/> Cities</div></div></div></div>	

Fiscal Estimate Narratives

UWS 8/18/2021

LRB Number	21-0100/1	Introduction Number	SB-495	Estimate Type	Original
Description tuition and fee remission for certain veterans and their dependents enrolled in the University of Wisconsin System or a technical college					

Assumptions Used in Arriving at Fiscal Estimate

The bill would expand the Wisconsin GI Bill by modifying the residency requirement for the tuition and fee remission program for certain veterans and their spouses and children that are enrolled in UW System institutions.

The UW System has no way of knowing how many potential veterans, spouses, and children would be eligible under this new program. The U.S. Department of Veteran Affairs determines the service-connected disability rating and the Wisconsin Department of Veteran Affairs verifies whether someone meets the status as a veteran.

The UW System currently receives between \$4.5 and \$4.8 million in GPR to reimburse costs for the tuition remission program; however, this does not cover the full cost of the remission program.

The bill would eliminate the "5-year" pools of eligible students created by 2015 Act 20 and 2017 Act 29. Instead, non-Wisconsin veterans, as well as children and spouses of 30% or more disabled non-Wisconsin veterans, would be eligible for Wisconsin GI Bill benefits immediately upon establishing residency in Wisconsin.

Long-Range Fiscal Implications

There is now a decade of cost data available that includes impacts of adding the "5-year" non-Wisconsin veterans and their children and spouses. In the second year of the biennium after the 5-year expansions were approved, FY16 for veterans and FY19 for children and spouses, remissions costs rose sharply, 18% for veterans and 14% for children and spouses. These spikes make intuitive sense, as potential beneficiaries are unlikely to enroll immediately after a state budget is passed but are ready to enroll the following year.

Assuming historical rates of change for beneficiaries in FY22 and projecting increases in FY23 based on actual experience following expansions is a reasonable approach when it is unknown how many potential beneficiaries are currently living in Wisconsin or will move to Wisconsin. Under this approach, remissions for veterans would rise to \$13.6 million in FY23 and to \$18.7 million for children and spouses. In FY24, remissions would return to historical growth rates but with a higher base-cost following the expansions, \$13.6 million for veterans and \$20.2 million for children and spouses.

The increases under the bill over FY23 and FY24 are estimated to be \$10 million greater than would be expected under current law with historical growth rates of 1% for veterans and 7.4% for children and spouses.