

### Fiscal Estimate - 2007 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> <b>07-3206/3</b>	<b>Introduction Number</b> <b>AB-0555</b>	
<b>Description</b> The veterans tuition reimbursement program		
<b>Fiscal Effect</b>		
<b>State:</b> <input type="checkbox"/> No State Fiscal Effect <input checked="" type="checkbox"/> Indeterminate <div style="display: flex; justify-content: space-between;"> <div style="width: 30%;"> <input type="checkbox"/> Increase Existing Appropriations  <input type="checkbox"/> Decrease Existing Appropriations  <input type="checkbox"/> Create New Appropriations                 </div> <div style="width: 30%;"> <input type="checkbox"/> Increase Existing Revenues  <input type="checkbox"/> Decrease Existing Revenues                 </div> <div style="width: 30%;"> <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>		
<b>Local:</b> <input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate <div style="display: flex; justify-content: space-between;"> <div style="width: 30%;">                 1. <input type="checkbox"/> Increase Costs  <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory                  2. <input type="checkbox"/> Decrease Costs  <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory             </div> <div style="width: 30%;">                 3. <input type="checkbox"/> Increase Revenue  <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory                  4. <input type="checkbox"/> Decrease Revenue  <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory             </div> <div style="width: 30%;">                 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 type="checkbox"/> WTCS Districts             </div> </div>		
<b>Fund Sources Affected</b> <b>Affected Ch. 20 Appropriations</b> <input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input checked="" type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.485 (2)(tf)		
<b>Agency/Prepared By</b> DVA/ Kenneth Abrahamsen (608) 266-0117	<b>Authorized Signature</b> William Kloster (608) 266-2256	<b>Date</b> 11/6/2007

**Fiscal Estimate Narratives**  
**DVA 11/6/2007**

LRB Number <b>07-3206/3</b>	Introduction Number <b>AB-0555</b>	Estimate Type <b>Original</b>
<b>Description</b> The veterans tuition reimbursement program		

**Assumptions Used in Arriving at Fiscal Estimate**

Under current law, provided under the provisions of 2005 Wisconsin Act 25, a veteran may seek tuition reimbursement only if the veteran fully completes and files a pre-application with the department within 30 days of the commencement of the semester for which reimbursement is sought. Failure to file a pre-application under the required terms results in the denial of the veterans grant application filed for the applicable semester.

AB555 would eliminate the pre-application requirement. It also requires the department to review all applications submitted for a semester or course that began after August 15, 2007 and before the effective date of the bill and to provide reimbursement if the veterans was eligible except that he or she did not submit a pre-application. The bill also provides that a veterans has 60 days after the effective date of the bill for any semester or course began after August 15, 2007.

**Assumptions:**

For purposes of this fiscal estimate it is assumed that the effective date of AB555 is June 30, 2008. Based on this assumption, the fiscal estimate provided reflects the total fiscal effect for FY08.

The data used to estimate the fiscal effect are the number of grant applications denied in FY07 because the veteran failed to submit a pre-application within the required 30 day time limit. In FY07, 241 grant applications were denied because the veteran failed to meet the pre-application requirements.

Approximately 15% of the applications submitted for tuition reimbursement are denied for reasons other than failing to meet the pre-application requirements. Therefore, it is assumed that 15% of the grant applications the department would be required to review under the provisions of AB555 would be denied for other reasons (e.g, the veteran does not meet the income limit or has been out of service more than 10 years if for full-time tuition reimbursement, or the veteran qualifies for National Guard Tuition Reimbursement program, etc.). That would reduce the number of affected applications by 37, or an adjusted total of 204 grants.

Based on historic trends for the tuition reimbursement program, the 204 affected grants were allocated on the basis of whether they would be for full-time or part-time study, and whether the veteran attended a private vs. public institution. Then the FY07 average grant for each of these categories, inflated by 7% to reflect the tuition increase for FY08, was multiplied by number of grants in each category to obtain the estimated fiscal effect of AB 555 of \$251,200. However, that amount was adjusted for the fact that tuition remission under the WI GI Bill increases from 50% to 100% in FY08, which reduced the estimated fiscal effect of AB555 for FY08 to \$123,100. If the effective date of the bill ended up being some date prior to June 30, 2008, then the fiscal effect would be less than that amount. Similarly, if the effective date was after June 30, 2008, then the fiscal effect would be greater than \$123,100.

Since the effective date of the bill is unknown, the fiscal estimate is indeterminate.

**Long-Range Fiscal Implications**

Any expenditures related to AB 555 would not be on-going expenses.