

Fiscal Estimate - 2023 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 23-0312/1	Introduction Number AB-0012	
Description tuition and fee remission or grants for certain veterans and their dependents enrolled in the University of Wisconsin System, a technical college, or a private nonprofit institution of higher education; and the University of Wisconsin System nonresident tuition exemption for certain veterans		
Fiscal Effect State: <input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input checked="" type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs		
Local: <input type="checkbox"/> No Local Government Costs <input checked="" 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 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		
Fund Sources Affected Affected Ch. 20 Appropriations <input type="checkbox"/> GPR <input type="checkbox"/> FED <input checked="" type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS		
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Fiscal Estimate Narratives

UWS 2/10/2023

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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 change the "5-year" pools of non-resident eligible students created by 2015 Act 20 and 2017 Act 29 to "3-year" pools of eligible students. 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 three years after establishing residency in Wisconsin.

Additionally, this bill would eliminate the requirement that the student has been a Wisconsin resident at the time of entry into active duty as a condition of eligibility for the nonresident tuition exemption for veterans.

Long-Range Fiscal Implications

There is now more than a decade of cost data 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, FY 2016 for veterans and FY 2019 for children, remissions costs rose sharply, 18% for veterans and 14% for children and spouses. In years after the 5-year expansions remissions for children and spouses have continued to rise rapidly while remissions for veterans stabilized.

Assuming historical rates of change for beneficiaries in FY24 and projecting increases in FY25 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, total remissions for veterans would rise to \$10.2 million in FY25 and to \$22.4 million for children and spouses. In FY26, remissions would return to historical growth rates with remissions for veterans slightly declining to, \$9.8 million but rapidly increasing for children and spouses to \$24.6 million.

The increases under the bill over FY25 and FY26 are estimated to be \$5.5 million greater than would be expected under current law with 5-year historical growth rates of -4% for veterans and 10% for children and spouses.