



Legislative Fiscal Bureau

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April 7, 2010

TO: Members
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Senate Bill 304: Veteran Tuition Reimbursements After Delimiting Date

Senate Bill 304 was introduced on September 23, 2009, and referred to the Senate Committee on Veterans and Military Affairs, Biotechnology, and Financial Institutions. On January 27, 2010, the Committee recommended passage of the bill on a 5-0 vote. On February 10, 2010, the bill was referred to the Joint Committee on Finance.

CURRENT LAW

Under current law, full-time (at least 12 credits in a semester) veteran students may not be reimbursed under the veterans tuition reimbursement program once they reach the delimiting date of being more than 10 years removed from military service. However, part-time veteran students (those taking 11 or fewer credits in a semester) may be reimbursed for up to 60 total credits after the delimiting date.

SUMMARY

Senate Bill 304 (SB 304) would specify that veterans who are attending an eligible higher education institution after more than 10 years separation from military service and taking more than 11 credits in a semester, may be reimbursed for up to 11 credits in a semester. Under the bill, veterans could not be reimbursed for more than 60 credits after the current law delimiting date. Provisions of the bill would apply to tuition reimbursements for an academic term that begins after the effective date of the bill.

Chapter 29, Laws of 1941, established reimbursements for part-time correspondence school training and textbooks. No delimiting date was established for this program, which eventually became the Part-Time Study Grant Program. The Veterans Tuition and Fee Reimbursement

Program was established under 1993 Wisconsin Act 254 and provided tuition reimbursement for full-time students. However, veterans were not allowed to seek reimbursement after having been separated from active duty for 10 years.

Under 2005 Wisconsin Act 25, the Part-Time Study Grants and the Veterans Tuition and Fee Reimbursement Grant programs were combined into a single tuition grant reimbursement grant program.

Under 2005 Acts 25 and 468, the University of Wisconsin (UW) and the Wisconsin Technical College System (WTCS) are required to remit tuition and fees, less any amount paid under federal programs providing an education of officers and disabled veterans. Under this program, veterans who entered service from Wisconsin are eligible for up to 128 credits or eight semesters, whichever is longer. The amount is reduced by any amount paid under the Post-9/11 G.I. Bill. To qualify as a veteran for this remission, a student must: (a) be verified by the Department of Veterans Affairs as a resident of this state for the purpose of receiving benefits; and (b) have been a resident of this state at the time of entry into the armed services. In addition, a student's military service must meet one or more of the following criterion: (a) service of at least one term under honorable conditions during a war period or in a crisis zone; (b) service on active duty under honorable conditions for the full period of the initial service obligation, or two years, whichever is less; (c) service qualifying for certain service-related medals; (d) service ending in honorable discharge for a service-related disability or for reasons of hardship; or (e) service ending in release under honorable conditions due to a reduction in the armed forces. For students who qualify for this remission but do not qualify for resident tuition as determined by the UW System and WTCS, the nonresident portion of tuition is also remitted.

FISCAL EFFECT

The bill does not provide any additional funding to the Department of Veterans Affairs' (DVA) tuition reimbursement program [s. 20.485(2)(f) of the statutes], which is supported from the veterans trust fund and would be the appropriation from which any additional reimbursements would be made under the bill. In 2008-09, \$1,694,300 SEG was expended and in 2009-10, \$1,877,900 SEG has been appropriated for veterans tuition reimbursement. If there are insufficient funds in the appropriation to support all costs of the program, DVA may pro-rate the reimbursement for non-disabled veterans. The Department could also seek SEG supplemental funding under s. 13.10 of the statutes.

The veterans that would be affected by provisions of the bill include veterans who have left service more than 10 years from the semester in which they are seeking reimbursement, entered service from outside of Wisconsin (are ineligible for UW and WTCS tuition remission), and are full-time students (part-time students are already eligible for reimbursement after 10 years of leaving service). The bill would also expand the number of students that are eligible for reimbursement for tuition remission from the UW and WTCS that could seek reimbursement from DVA once they have used up the remissions program.

Based on DVA's analysis of students who are older than 35 (likely to be more than 10 years from active duty), that entered service from outside of Wisconsin, the Department estimates that it would cost an additional \$80,100 SEG in 2009-10 and \$84,900 SEG in 2010-11. Since the bill specifies that it would apply to remissions for semesters begun after the effective date of the bill, the current fiscal year would no longer apply. It is unknown how many veterans are not attending institutions because they cannot be reimbursed as full-time students. To the extent that this bill would provide enough incentive to encourage more veterans that are past the current delimiting date to attend college, there would be an additional cost to the DVA appropriation.

Since 12 credits equates to full-time at the UW, the effect of this bill for full-time students 10 or more years from the date of leaving military service would be reimbursed all but one credit. For 2009-10, the cost differential for 11 credits versus full-time status ranges from \$178 at the UW Colleges to \$304 at UW-Madison. For WTCS, credits are paid per credit. As a result, eligible veterans would pay \$101 to 136 per credit (2009-10 rates) for each credit beyond 11 credits.

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