

**DISCUSSION/ACTION**  
**August 29, 2006**

**HIGHER EDUCATIONAL AIDS BOARD**

**BOARD REPORT #07-04**

**2007-2009 BIENNIAL BUDGET ISSUES**

**VETERANS' TUITION REMISSION**

BUSINESS, FINANCE, AND AUDIT COMMITTEE:

Resolution:

WHEREAS, the University of Wisconsin was a leader in maximizing the benefits to World War II veterans under the federal G.I. Bill, and has for decades continued the state's commitment to providing opportunities for a higher education to veterans, their families, and students from all walks of life; and

WHEREAS, the unified efforts and leadership of the state Legislature and the Governor made it possible to create, as part of the 2005-07 state biennial budget (2005 Wisconsin Act 25), a 50 percent tuition remission for certain veterans and a 100 percent tuition remission for certain dependents of veterans enrolled at University of Wisconsin System and Wisconsin Technical College System institutions; and

WHEREAS, in the spring of 2006, the Wisconsin GI Bill (2006 Wisconsin Act 468) furthered the state's educational investment and opportunity for economic development by expanding the tuition remission for veterans to 100 percent; and

WHEREAS, recognizing that this expansion will dramatically increase the cost of the program, the Legislature delayed implementation of Act 468 provisions until the 2007-08 academic year to allow time to consider GPR funding for this program in the 2007-09 biennial budget;

THEREFORE, BE IT RESOLVED that the Board of Regents and the institutions of the UW System strongly support the development of a Veterans' Tuition Grant Program as an essential strategy for increasing access to higher education for Wisconsin's veterans and their families; and

BE IT FURTHER RESOLVED that while individual campuses will administer much of the program, the Board applauds the willingness of the Higher Education Aids Board (HEAB) to facilitate the program and urges the state to provide funding to HEAB to support the grants and needed staffing to monitor the program's participation and costs, facilitate data collection and dissemination, and provide participating veterans with a single point of contact for information about the tuition grant program.



August 21, 2006

Mary Jo Green, Chair  
Connie Hutchison, Executive Secretary  
Higher Educational Aids Board  
131 W. Wilson Street  
PO Box 7885  
Madison, WI 53707-7885

Dear Board Chair Green and Executive Secretary Hutchison:

On behalf of the Wisconsin Technical College System Board, the Board of Regents of the University of Wisconsin System and our students across the state, we respectfully ask that the Higher Educational Aids Board (HEAB) request sum sufficient funding and the necessary resources to administer a reimbursement program for tuition remissions for veterans and their dependents.

The 2005-07 budget (2005 Wisconsin Act 25) created a 50% tuition remission for certain veterans and a 100% tuition remission for certain dependents of veterans at UW System and Wisconsin Technical College System institutions. No general purpose revenue was provided to fund these remissions. Since the current tuition remission programs were established, the UW System has provided tuition remissions to 1,467 students at a cost of approximately \$4.3 million. The WTCS has provided tuition remissions to nearly 900 veterans or veterans' dependents at a cost of approximately \$765,000.

In the spring of 2006, the Governor signed the Wisconsin GI Bill, which expanded the tuition remission for veterans to a 100% remission beginning in the 2007-08 academic year. As a result, the annual cost of the veterans' tuition remission program will increase significantly. In addition, the cost of both remission programs could be expected to increase as the number of eligible veterans (and their dependents) rises in the next few years and if more of these students enroll full-time, increasing the annual value of their remissions. In addition, participation should increase in the next three years reflecting the cumulative effect of continuing participation and new enrollments.

Because of cost concerns, implementation of the 100% veteran tuition remission was delayed until the 2007-08 academic year to allow the UW System and the WTCS to seek GPR funding for this program in the 2007-09 biennial budget. When he signed the proposal into law, Governor Doyle stated that the veterans' tuition remission program would be a budget priority for 2007-09.

The WTCS Board and UW System Board of Regents believe that HEAB is the most appropriate entity to administer a reimbursement program for these tuition remissions. Central administration of these funds would provide a single point of contact for information about the

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Mary Jo Green and Connie Hutchison  
August 21, 2006

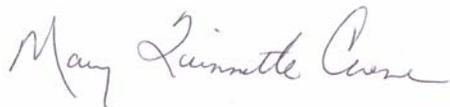
program, facilitate data collection and monitoring of program participation and costs, facilitate periodic program evaluation, and clearly restrict the use of funds to remission reimbursement. Moreover, HEAB has experience administering a similar type of reimbursement program with the Academic Excellence Scholarship.

In addition, since the level of participation is difficult to estimate, funding for tuition remissions for veterans and their dependents should be established in a sum sufficient appropriation. HEAB is also experienced in administering this type of appropriation. Funding is provided through sum sufficient appropriations administered by HEAB for fee reimbursements under the Minnesota-Wisconsin student reciprocity agreement, and for tuition grants under the Wisconsin Higher Education Grant for University of Wisconsin System students and the Academic Excellence Scholarship program.

Based on first year activity and anticipated increases in participation and tuition, the estimated amount needed for remissions awarded by WTCS is \$2,300,000 in FY 2007-08 and \$3,200,000 in FY 2007-09 for a total of \$5,500,000 over the biennium. The estimated amount needed for remissions awarded by UW System is \$9,263,900 in FY 2007-08 and \$9,912,400 in FY 2008-09 for a total of \$19,176,300 over the biennium.

Thank you considering this proposal for inclusion in HEAB's biennial budget request. Your willingness to administer this remission reimbursement program will ensure that important benefits for veterans and their dependents are sustained without increasing the financial burden of postsecondary education to non-veteran students.

Sincerely,



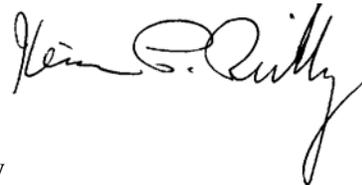
Mary Quinnette Cuene  
President  
Wisconsin Technical College System Board



Daniel Clancy  
President  
Wisconsin Technical College System



David Walsh  
President  
University of Wisconsin Board of Regents



Kevin Reilly  
President  
University of Wisconsin System

cc: Wisconsin Technical College System Board  
University of Wisconsin Board of Regents  
Higher Educational Aids Board  
R.J. Binau, DOA Budget Analyst