

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 171 Veterans' Affairs
SPONSOR(S): Pafford and others
TIED BILLS: **IDEN./SIM. BILLS:** SB 430

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Community & Military Affairs Subcommittee	15 Y, 0 N	Tait	Hoagland
2) Higher Education Appropriations Subcommittee			
3) Economic Affairs Committee			

SUMMARY ANALYSIS

HB 171 makes two changes regarding veterans:

- Amends the general definition of the term “veteran” in s. 1.01, F.S. This definition is to be used anywhere the term “veteran” is in the statutes.
- Expands the eligibility for the post-secondary scholarship opportunity for children and spouses of deceased or disabled veterans or servicemembers.

Currently, s. 1.01(14), F.S., includes a general definition of the term “veteran” that is used in determining eligibility of veterans for benefits provided by the state. Under the current definition, a person who has served in the active military, naval, or air service and who has been discharged or released from active duty under honorable conditions is eligible for standard veterans’ benefits. A veteran is eligible for enhanced benefits for wartime service if the veteran served in a campaign or expedition for which a campaign badge has been authorized or served during a period of wartime service specified in the definition. Wartime service benefits include: potential credits with the Florida Retirement System; government employment hiring and retention preferences; nursing home admittance preferences; a local business tax exemption; and an additional homestead property tax exemption.

The bill amends the statutory definition of a “veteran” in s. 1.01(14), F.S., to include Operation New Dawn (OND) in the periods of wartime service. As a result, veterans who served during OND, but were not deployed into an area of operation, are eligible for wartime service benefits. The bill also amends the statutory definition of a “veteran” to reflect the end of Operation Iraqi Freedom.

Since 1941, Florida has provided educational opportunity for dependent children of deceased or totally and permanently disabled veterans of the U.S. Armed Forces. The program has been expanded to include unremarried spouses, as well as children of servicemembers classified as prisoners of war or missing in action. The program is known as Scholarships for Children & Spouses of Deceased or Disabled Veterans (CSDDV). Students who qualify receive monetary benefits which cover their cost of tuition and registration, and may participate in this program at any eligible state institution (such as public state universities, community colleges, and technical schools) and eligible private colleges, universities, and technical schools that meet licensure, accreditation and operation standards.

The bill allows the dependent children of servicemembers who die or become disabled while serving in OND to be eligible for the CSDDV program.

The portion of the bill that changes to the statutory definition of “veteran” appears to have an insignificant fiscal impact on state and local governments.

The portion of the bill that expands the eligibility requirements for the CSDDV program will have an indeterminate negative fiscal impact on state government expenditures. Last year, the Legislature specified that the scholarships were to be funded equal to the amount required to pay tuition and registration fees at a public postsecondary institution. The number of students enrolled in the program has grown from 158 in FY 2000-01 to 741 in FY 2009-10 and the amount appropriated for the program has grown from \$333,250 in FY 2000-01 to \$2,442,776 in FY 2010-11. It is indeterminate how many additional students will be eligible for the program due to the changes in this bill.

The bill has an effective date of July 1, 2011.

This document does not reflect the intent or official position of the bill sponsor or House of Representatives.

STORAGE NAME: h0171a.CMAS

DATE: 3/30/2011

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

OPERATION NEW DAWN BACKGROUND

On August 31, 2010, President Obama announced the end of Operation Iraqi Freedom and the commencement of the new mission, Operation New Dawn (OND).¹ As part of OND, U.S. Forces have three primary missions: advising, assisting, and training the Iraqi Security Forces; conducting partnered counterterrorism operations; and providing support to provincial reconstruction teams and civilian partners as they help build Iraq's civil capacity.²

PRESENT SITUATION – DEFINITION OF “VETERAN”

Section 1.01(14), F.S., defines the term “veteran” that is used throughout the statutes. In addition, the definition in s. 1.01(14), F.S., is used to determine the eligibility of veterans for certain benefits provided by the state. Under the current definition, a person who has served in the active military, naval, or air service and who has been discharged or released from active duty under honorable conditions is considered a “veteran” eligible for standard veterans’ benefits.

A veteran is eligible for enhanced benefits for wartime service if the veteran served in a campaign or expedition for which a campaign badge³ has been authorized⁴ or served during one of the following periods of wartime service:

- a) Spanish-American War: April 21, 1898, to July 4, 1902, and including the Philippine Insurrection and the Boxer Rebellion.
- b) Mexican Border Period: May 9, 1916, to April 5, 1917, in the case of a veteran who during such period served in Mexico, on the borders thereof, or in the waters adjacent thereto.
- c) World War I: April 6, 1917, to November 11, 1918; extended to April 1, 1920, for those veterans who served in Russia; also extended through July 1, 1921, for those veterans who served after November 11, 1918, and before July 2, 1921, provided such veterans had at least 1 day of service between April 5, 1917, and November 12, 1918.
- d) World War II: December 7, 1941, to December 31, 1946.
- e) Korean Conflict: June 27, 1950, to January 31, 1955.
- f) Vietnam Era: February 28, 1961, to May 7, 1975.
- g) Persian Gulf War: August 2, 1990, to January 2, 1992.
- h) Operation Enduring Freedom: October 7, 2001, and ending on the date thereafter prescribed by presidential proclamation or by law.
- i) Operation Iraqi Freedom: March 19, 2003, and ending on the date thereafter prescribed by presidential proclamation or by law.

Standard Veterans’ Benefits

All veterans who meet the eligibility criteria set forth in the definition qualify for the following standard benefits:

- Homestead property tax exemption for certain disabled veterans;⁵
- Homestead property tax exemptions for spouses of deceased veterans;⁶

¹<http://www.whitehouse.gov/the-press-office/2010/08/31/remarks-president-address-nation-end-combat-operations-iraq> (last visited March 25, 2011).

² http://www.af.mil/news/story_print.asp?id=123220049 (last visited March 25, 2011).

³ A current list of U.S. military campaign badges may be found at: http://www.tioh.hqda.pentagon.mil/Awards/service_campaign.aspx (last visited March 25, 2011).

⁴ The provision regarding campaign badges was added in 2003. Prior to then, statutes allowed those who served during the defined wartime periods to be eligible for wartime benefits.

⁵ Sections 196.081; 196.101; and 196.24, F.S.

⁶ Section 196.081, F.S.

- Disabled Veteran Identification Card;⁷
- Educational benefits for select veterans, spouses, and the children of deceased or disabled Florida veterans;⁸
- Disabled veterans' preference in employment and retention;⁹
- Disabled veterans exemption from certain building license or permit fees;¹⁰
- One tuition deferment per academic year;¹¹
- Admission to the Florida State Veterans' home program administered by the Florida Department of Veterans Affairs;¹²
- Fee waiver for filing certification of discharge or separation;¹³
- Fee waiver for hunting and fishing licenses;¹⁴
- Free disabled veteran motor vehicle license plate;¹⁵
- Free parking permit for disabled veterans;¹⁶
- Military motor vehicle license plates for ex-POWs, Florida National Guard or Reserve members, survivors of Pearl Harbor, recipients of the Purple Heart Medal, and recipients of the Medal of Honor;¹⁷
- Driver's license fee waiver for disabled veterans;¹⁸
- Waiver of toll road fees for certain disabled veterans;¹⁹ and
- Preference in state contracting through the Service Disabled Veteran Business Opportunity Act.²⁰

Wartime Service Benefits

A veteran is eligible for enhanced benefits for wartime service if the veteran served in a campaign or expedition for which a campaign badge²¹ has been authorized²² or served during one of the periods of wartime service defined in s. 1.01 (14), F.S.

Florida wartime benefits for eligible veterans include:

- Government employment hiring and retention preference for certain wartime veterans;²³
- Career training admission preference (Vietnam Era);²⁴
- Priority admittance to State Veteran Nursing Homes;²⁵
- Waiver of occupational license taxes for disabled wartime veterans;²⁶
- Certain Florida Retirement System (FRS) benefits;²⁷ and
- A \$5,000 additional homestead property tax exemption for certain wartime veterans.²⁸

⁷ Section 295.17, F.S.

⁸ Sections 295.01-295.0185, F.S.

⁹ Sections 295.07, F.S.

¹⁰ Section 295.16, F.S.

¹¹ Section 1009.27, F.S.

¹² Section 296.36, F.S. (Nursing Homes) and section 296.06, F.S. (Domiciliary).

¹³ Section 28.222, F.S.

¹⁴ Section 372.562, F.S.

¹⁵ Section 320.084, F.S.

¹⁶ Section 320.0848, F.S.

¹⁷ Section 320.089, F.S.

¹⁸ Section 322.21, F.S.

¹⁹ Section 338.155, F.S.

²⁰ Section 295.187, F.S.

²¹ A current list of U.S. military campaign badges may be found at:

http://www.tioh.hqda.pentagon.mil/Awards/service_campaign.aspx (last visited March 25, 2011).

²² The provision regarding campaign badges was added in 2003. Prior to then, statutes allowed those who served during the defined wartime periods to be eligible for wartime benefits.

²³ Section 295.07, F.S.

²⁴ Section 295.125, F.S.

²⁵ Section 296.08, F.S.

²⁶ Section 205.171 F.S.

²⁷ Sections 121.021(20)(b) and 121.111, F.S.

A new campaign medal does not accompany the commencement of OND. "U.S. troops will not get a new campaign medal if they take part in Operation New Dawn. The current Iraq Campaign Medal²⁹ campaign phase, 'Iraqi Sovereignty,' which took effect January 1, 2009, describes both the initial phase of Operation New Dawn and the final phase of Operation Iraqi Freedom."³⁰ As a result, servicemembers who serve in direct support of OND may be eligible to receive the Iraq Campaign Medal. Under the current law,³¹ receipt of the Iraq Campaign Medal for service during OND qualifies such veterans for wartime benefits. However, veterans who served active duty during OND, but were not deployed into the campaign, are not eligible for wartime benefits.

Effect of Proposed Changes

This bill revises s. 1.01(14), F.S., to add OND to the list of campaigns or expeditions that qualify a veteran for wartime service benefits provided under state law. Inclusion of this operation in the statute would qualify veterans for wartime service veterans' benefits who have served honorably but have not met the criteria for award of a campaign medal.

As a result of this revision, veterans who served OND, but were not deployed into an area of operation, will be eligible for wartime service benefits. Veterans who were deployed abroad into an area of operation in OND are eligible for all veteran benefits, including wartime service benefits, under current law.

The qualifying period for OND begins September 1, 2010, and will end on a date thereafter prescribed by presidential proclamation or by law.

The bill also amends s. 1.01(14), F.S. to reflect the end of Operation Iraqi Freedom.

PRESENT SITUATION – EDUCATIONAL BENEFITS

Since 1941, Florida has provided educational opportunity for the dependent children of deceased or totally and permanently disabled veterans of the U.S. Armed Forces. In 2006, these benefits were extended to include spouses of deceased or totally and permanently disabled veterans of the U.S. Armed Forces. Section 295.01, F.S., establishes the eligibility requirements for the Scholarships for Children and Spouses of Deceased or Disabled Veterans (CSDDV) program for dependent children and spouses of certain military veterans. Under this section, dependent children and an unremarried spouse of a veteran who died from service-connected injuries, disease, or disability while on active-duty, or was determined to have a 100 percent permanent and total-service connected disability, are eligible for the scholarship. The section provides certain criteria, including Florida residency criteria, which a child or spouse must meet in order to be eligible for the scholarship. In addition, s. 295.015, F.S., extends the educational opportunity to dependent children whose parents have been classified as a prisoner of war or missing in action.

The CSDDV program is administered by the Office of Student Financial Assistance, within the Florida Department of Education (DOE).

Subsections 295.016-295.0195, F.S., specify military actions or conflicts that constitute eligible periods of military service for purposes of the scholarship program established in s. 295.01, F.S. Section 295.0195, F.S., provides scholarships for the children of deceased or disabled military personnel who died or became disabled in Operation Enduring Freedom (2001) and Operation Iraqi Freedom (2003). In order for such a child to be eligible for the scholarship, the service member must have been a Florida resident at the time of the disability or death.

²⁸ Section 196.24, F.S.

²⁹ Department of the Army. Iraq Campaign Medal Page. Office of the Administrative Assistant to the Secretary of the Army, Institute of Heraldry. Available at: http://www.tioh.hqda.pentagon.mil/Awards/iraq_campaign.aspx (last visited March 25, 2011).

³⁰ Statement by Defense Department spokeswoman Eileen Lainez. October 22, 2010. Article available at:

<http://www.military.com/news/article/no-campaign-medal-for-operation-new-dawn.html> (last visited March 25, 2011).

³¹ Section 1.01(14), F.S.

Presently, chapter 295, F.S., does not extend such state-sponsored educational benefits to the children of military personnel who have died or became 100-percent disabled in OND, which began on September 1, 2010.

Initial Eligibility Requirements to Receive Funding from the CSDDV Program

Scholarship recipients are subject to several requirements to be eligible for the program. They must comply with the ordinary and minimum requirements of the institution attended, for both discipline and scholarship.³² In addition, they must remain in good standing at their respective institutions.³³ Students must also be enrolled according to the customary rules and requirements of the institution attended, as their eligibility for admission is not impacted by the statutes regarding the CSDDV program.³⁴

Students receiving scholarships through the CSDDV program are also subject to general requirements for student eligibility for state financial aid awards and tuition assistance grants, which include: achievement of the academic requirements of and acceptance to the institution, Florida residency for at least 1 year preceding the award, and submission of certification attesting to the accuracy, completeness, and correctness of information provided to demonstrate a student's eligibility to receive state financial aid awards or tuition assistance grants.³⁵

Additionally, Rule 6A-20.019, F.A.C., outlines the requirements for initial eligibility, which are listed below.³⁶

The veteran or servicemember will:

- Be a U.S. citizen or eligible non-citizen.
- Be a Florida resident for one year immediately preceding time of death, determination of 100% disability, or prisoner of war/missing in action classification.
- Have died as a result of a service-connected disability sustained while on active duty;
- Have been certified by the Florida Department of Veterans Affairs as having a service-connected 100% permanent and total disability; or
- Have been classified as a prisoner of war or missing in action by the Armed Forces of the United States or as civilian personnel captured while serving with the consent or authorization of the United States Government during wartime service for a dependent child to receive scholarship funding.

The child will:

- Be a Florida resident and a U.S. citizen or eligible non-citizen. A student's residency and citizenship status are determined by the postsecondary institution. Questions regarding such status should be directed to the financial aid office or admissions office of the institution the student plans to attend.
- Not owe a repayment or be in default under any state or federal grant, loan, or scholarship program unless satisfactory arrangements to repay have been made.
- Not have previously received a baccalaureate degree.
- Enroll in an undergraduate degree or certificate program for a minimum of six credit hours, 180 clock hours, or the equivalent, per term at an eligible participating postsecondary institution.
- Meet Florida's general eligibility requirements for receipt of state aid.
- Be a dependent child of a qualified veteran or servicemember whose official military and residency status is certified by the Florida Department of Veterans Affairs.
- Be between the ages of 16 and 22.

³² Section 295.03, F.S.

³³ Section 295.04, F.S.

³⁴ Section 295.05, F.S.

³⁵ Section 1009.40, F.S.

³⁶ Information from a fact sheet provided by the Office of Student Financial Assistance within the Florida Department of Education. Available at <http://www.floridastudentfinancialaid.org/SSFAD/factsheets/CDDV.htm> (last visited March 26, 2001).

- Receive educational opportunity until such a time as the parent so classified as prisoner of war or missing in action is returned alive or until classified otherwise.

CSDDV Awards

Students who qualify for the program receive monetary benefits which cover their cost of tuition and registration. The students may participate in this program at any eligible state institution such as public state universities, community colleges, and technical schools, and eligible private colleges, universities, and technical schools that meet licensure and accreditation, and operation standards.

The Legislature annually appropriates the funds for the program awards. In 2010, HB 5201, a budget conforming bill, specified that the CSDDV Scholarships were to be funded equal to the amount required to pay tuition and registration fees at a public postsecondary university. This will result in a greater cost for the program, as previous years funded the program as a flat cost per credit hour.

The chart on below displays the number of participating students, average award, expenditures, and appropriations for the CSDDV scholarship program from fiscal year 2000-01 to 2009-10.³⁷

CSDDV Awards from 2000 - 2001 through 2009 - 2010

Year	Students	Average Award*	Expenditures	Appropriations
2000 – 2001	158	\$1,590	\$ 251,191	\$ 333,250
2001 – 2002	168	\$1,768	\$ 297,062	\$ 333,250
2002 – 2003	151	\$1,961	\$ 296,130	\$ 333,250
2003 – 2004	157	\$2,053	\$ 322,294	\$ 333,250
2004 – 2005	149	\$2,105	\$ 313,691	\$ 333,250
2005 – 2006	174	\$2,319	\$ 403,463**	\$ 383,250
2006 – 2007	307	\$2,367	\$ 726,785**	\$ 557,723
2007 – 2008	475	\$2,392	\$1,136,148**	\$1,101,410
2008 – 2009	695	\$2,536	\$1,762,248	\$1,997,365
2009 – 2010	741	\$2,588	\$1,917,830	\$1,997,365

*The average award differs per student, as it is equal to an individual student's tuition and fees at a public postsecondary institution.

**Total expended funds include adjusted funds per s. 216.292, F.S. – additional students' tuition and fees were authorized from funding within the same appropriations category.

The Legislature appropriated \$2,442,776 for the CSDDV scholarship program for fiscal year 2010-11.³⁸ According to a February analysis from DOE, the 2010-11 appropriation is projected to serve 743 eligible students, with an average award for the 1st term of the 2010-11 academic year of approximately \$1,700. In addition, their analysis indicates that the current year's cost is greater than previous years, as a result of HB 5201 (2010). DOE is requesting a budget of \$2,744,744 to serve a projected 824 students for FY 2011-12.

Effect of Proposed Changes

This bill amends s. 295.0185, F.S., to extend program eligibility to the dependents of veterans who die or become disabled while serving in OND. It also amends the statute to reflect the end of Operation Iraqi Freedom.

The bill provides an effective date of July 1, 2011.

³⁷ The data for this chart was compiled from several years of the Department of Education's Annual Reports to the Commissioner. They are available at: <http://www.floridastudentfinancialaid.org/SSFAD/home/annualreportarchives.htm> (last visited March 25, 2011).

³⁸ Florida Department of Education, *2009-10 Annual Report to the Commissioner*. Available at: <http://www.floridastudentfinancialaid.org/SSFAD/pdf/annualreportcurrent.pdf> (last visited March 25, 2011).

B. SECTION DIRECTORY:

- Section 1:** Amends s. 1.01 (14), F.S., providing for the end of Operation Iraqi Freedom and adding Operation New Dawn to the periods of wartime service.
- Section 2:** Amends s. 295.0185, F.S., to extend program eligibility to dependents of veterans who die or become disabled while serving in Operation New Dawn, as well as add the end date of Operation Iraqi Freedom.
- Section 3:** Provides an effective date of July 1, 2011.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:
None.
2. Expenditures:
See FISCAL COMMENTS.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:
The bill may reduce revenues of certain cities and counties by increasing the number of veterans eligible for an additional \$5,000 property tax homestead exemption pursuant to s. 196.24, F.S.
2. Expenditures:
None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

As a result of this bill, veterans who served during OND, but were not deployed abroad, will be eligible for certain wartime service benefits, including: government employment hiring and retention preference for certain wartime veterans; priority admittance to State Veteran Nursing Homes; waiver of occupational license taxes for disabled wartime veterans; certain Florida Retirement System benefits; and a \$5,000 additional homestead property tax exemption for certain wartime veterans.

This bill would enable an unknown number of additional children of deceased or disabled veterans to qualify for post-secondary educational benefits. The impact is minimal to the private sector as a whole. However, to the individual student now eligible under this bill and their family, the estimated average \$2,588 in yearly assistance from the program could be significant since the loss of income from a deceased or totally disabled parent could adversely affect their ability to afford higher education.

The bill does not appear to have a fiscal impact on private businesses in Florida.

D. FISCAL COMMENTS:

The state will be responsible for paying for the educational benefits provided in this bill to children of military personnel who die or suffer a service-connected 100-percent total and permanent disability in OND. The Legislature annually appropriates the funds for the program awards. In 2010, HB 5201, a budget conforming bill, specified that the CSDDV Scholarships were to be funded equal to the amount required to pay tuition and registration fees at a public postsecondary university.

The number of students enrolled in the program has grown from 158 in FY 2000-01 to 741 in FY 2009-10 and the amount appropriated for the program has grown from \$333,250 in FY 2000-01 to \$2,442,776 in FY 2010-11. DOE is currently requesting a budget of \$2,744,744 to serve a projected 824 students for FY 2011-12; however, it is indeterminate how many additional students will be eligible for the program due to the changes in this bill.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

The mandates provision of Article VII, section 18, of the Florida Constitution may apply because the bill may reduce revenues of certain cities and counties by increasing the number of veterans eligible for an additional \$5,000 property tax homestead exemption pursuant to s. 196.24, F.S.; however, the bill appears to be exempt from the mandates provision because the fiscal impact of the bill on cities and counties appears to be insignificant.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

On March 29, 2011, the Community & Military Affairs Subcommittee adopted two amendments to the bill, which was reported favorably as a Committee Substitute.

The first amendment amended the statutory definition of a "veteran" in s. 1.01(14), F.S., to reflect the end of Operation Iraqi Freedom.

The second amendment removed the provision that children of military personnel who die or suffer a service-connected 100-percent total and permanent disability in military operations in the Global War on Terrorism (other than Operation Enduring Freedom, Operation Iraqi Freedom and Operation New Dawn) are eligible for the CSDDV program. It also added the end date of Operation Iraqi Freedom to s. 295.0185, F.S.

This analysis reflects the amendments adopted by the Community & Military Affairs Subcommittee.