

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Military and Veterans Affairs, Space, and Domestic Security

BILL: SPB 7028

INTRODUCER: Military and Veterans Affairs, Space, and Domestic Security Committee

SUBJECT: Educational Opportunities for Veterans

DATE: February 17, 2015 REVISED: _____

ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1. Ryon	Ryon		Submitted as Committee Bill

I. Summary:

SPB 7028 amends the Congressman C.W. “Bill” Young Veteran Tuition Waiver Program to allow additional persons to be eligible for the out-of-state tuition fee waiver currently afforded to honorably discharged veterans residing in Florida and enrolled in a state university, Florida College System institution, career center operated by a school district, or charter technical career center. The bill requires a state university, Florida College System institution, career center operated by a school district, or charter technical career center to waive out-of-state fees for any person who is receiving educational assistance through the U.S. Department of Veterans Affairs and who physically resides in Florida while enrolled in the institution. This addition allows individuals, such as a spouse or child of a veteran or servicemember using GI Bill benefits, to qualify for in-state tuition rates.

In August 2014, the U.S. Congress enacted the Veterans Access, Choice, and Accountability Act of 2014. This Act requires the U.S. Department of Veterans Affairs to disapprove programs of education for payment of benefits under the Post-9/11 GI Bill and the Montgomery GI Bill-AD at public institutions if the schools charge qualifying veterans and dependents tuition and fees in excess of the rate for resident students. Public institutions must offer in-state tuition rates to certain veterans and their dependents by July 1, 2015 in order for the institution to be eligible to receive payments under the Post-9/11 GI Bill and the Montgomery GI Bill-Active Duty programs.

II. Present Situation:

Tuition and Out-of-State Fees

Under Florida law, “tuition” is defined as “the basic fee charged to a student for instruction provided by a public postsecondary educational institution in this state.”¹ A student who is

¹ Section 1009.01(1), F.S.

classified as a “resident for tuition purposes” is a student who qualifies for the in-state tuition rate.²

An “out-of-state fee” is “the additional fee for instruction provided by a public postsecondary education institution in this state, which fee is charged to a student who does not qualify for the in-state tuition rate.”³ A “non-resident for tuition purposes” is defined as a “person who does not qualify for the in-state tuition rate,”⁴ and pays the out-of-state fee in addition to tuition.

Residents for tuition purposes are charged in-state rates for tuition while non-residents pay out-of-state fees in addition to tuition, unless such costs are exempted or waived.⁵

Fee Exemptions and Fee Waivers

Florida law provides fee exemptions⁶ and fee waivers⁷ to qualified students that meet specified criteria. A number of fee exemptions and fee waivers are permissive⁸ while others are mandatory.⁹

Through one of the permissive fee waivers, the board of trustees at each state university, as well as school districts, and FCS institutions, are authorized to waive fees under certain conditions. The board of trustees of each state university is authorized to “waive tuition and out-of-state fees for purposes that support and enhance the mission of the university.”¹⁰ Similarly, “[s]chool districts and Florida College System institutions may waive fees for any fee-nonexempt student.”¹¹

The Congressman C.W. “Bill” Young Veteran Tuition Waiver Program

The Congressman C.W. “Bill” Young Veteran Tuition Waiver Program was established during the 2014 Regular Session to waive out-of-state fees for veterans in Florida pursuing higher education.¹² Under this program, state universities, Florida College System institutions, career centers operated by a school district, and charter technical career centers are required to waive out-of-state fees for honorably discharged veterans of the U.S. Armed Forces, the U.S. Reserve Forces, or the National Guard who physically reside in Florida while enrolled in the institution.¹³ Tuition and fees charged to a veteran who qualifies for the out-of-state fee waiver may not exceed the tuition and fees charged to a resident student. The waiver covers 110 percent of the

² Section 1009.21(1)(g), F.S.

³ Section 1009.01(2), F.S.

⁴ Section 1009.21(1)(e), F.S.

⁵ Sections 1009.23(2)(a) and 1009.24(2), F.S.

⁶ Section 1009.25, F.S.

⁷ Section 1009.26, F.S.

⁸ Section 1009.25(2), F.S. (authorizing each Florida College System institution to grant additional fee exemptions “up to 54 full-time equivalent students or 1 percent of [an] institution’s total full-time equivalent enrollment, whichever is greater at each institution”); ss. 1009.26(1)-(4), (6), (9), (10), (11), F.S.

⁹ Section 1009.25(1)(a)-(g), F.S.; ss. 1009.26(5), (7), (8), F.S.

¹⁰ Section 1009.26(9), F.S. (noting that fee waivers under this section must be grounded in policies adopted by the state university board of trustees under regulations adopted by the Board of Governors).

¹¹ Section 1009.26(1), F.S.

¹² Chapter 2014-1, Laws of Fla.

¹³ Section. 1009.26(13)(a), F.S.

credit hours the veteran needs to complete the applicable degree or certificate program.¹⁴ Currently, a veteran's dependents are not eligible for the out-of-state veterans' fee waiver.

Purple Heart Recipient Fee Waiver

Florida law also provides a mandatory undergraduate fee waiver for "each recipient of a Purple Heart or another combat decoration superior in precedence" at a state university or Florida College System (FCS) institution.¹⁵ The statute requires that the recipient:¹⁶

- Be in an undergraduate program that results in a certificate or degree;
- Currently be a resident of the state and has been a resident at the time of the action that resulted in the awarding of the applicable combat decoration; and
- Provide the institution with appropriate documentation of the separation from service and receipt of the combat decoration.

The fee waiver for Purple Heart recipients, and recipients of superior combat decorations, covers 110 percent of the credit hours the recipient needs to complete the applicable degree or certificate program.¹⁷

U.S. Department of Veterans Affairs Education Benefit Programs

The U.S. Department of Veterans Affairs (USDVA) provides financial assistance to eligible veterans and dependents pursuing postsecondary education. The educational assistance programs administered by the USDVA are addressed below.

Post-9/11 GI Bill

The Post-9/11 GI Bill¹⁸ is the newest educational assistance program that provides financial support for education and housing to individuals with at least 90 days of aggregate active duty service on or after September 11, 2001, or individuals discharged with a service-connected disability after 30 continuous days of active duty service. Individuals may be eligible for up to 36 months of education benefits and eligibility generally expires 15 years from the date of the last discharge or release from active duty service.

The Post-9/11 GI Bill provides beneficiaries the cost of tuition and fees, not to exceed the most expensive in-state undergraduate tuition at a public higher education institution in the state in which the individual is attending school. The tuition and fees payment is paid directly to the school on behalf of the student and is prorated by the student's benefit level.¹⁹ Post-9/11 GI Bill

¹⁴ Final data is not yet available from the respective institutions on the number of veteran fee waivers granted under s. 1009.26(13), F.S. Preliminary data from the FCS shows that 721 fee waivers were awarded as of February 4, 2015 for the 2014-2015 academic year. This preliminary data is subject to change upon final submission of waiver data from the respective FCS institutions. FCS data provided via e-mail by FCS staff on February 12, 2015. E-mail on file with Military and Veterans Affairs, Space, and Domestic Security Committee.

¹⁵ Section 1009.26(8), F.S.

¹⁶ Section 1009.26(8)(a)-(c), F.S.

¹⁷ Section 1009.26(8), F.S.

¹⁸ 38 U.S.C. §§3301-3325.

¹⁹ Post-9/11 GI Bill students are also entitled to a monthly housing allowance and an annual books and supplies stipend paid directly to the student, both prorated by the student's length of service percentage. The housing allowance is equal to the

benefits may be used for approved training, which includes: graduate and undergraduate degrees, non-college degree programs for vocational and technical training, apprenticeship and on-the-job training, flight training, correspondence training, certification and licensing, national testing programs, entrepreneurship training, and a tutorial assistance program.

An individual is eligible for a fixed percentage of the payments authorized under the Post-9/11 GI Bill based on an individual’s amount of creditable active duty service since September 11, 2001. The table below describes the maximum benefit payable for the applicable length of an individual’s active duty service.

Post-9/11 GI Bill Service Requirements²⁰ (Aggregate active duty service after Sept. 10, 2001)	Percentage of Maximum Benefit Payable
At least 36 months	100
At least 30 continuous days on active duty (must be discharged due to service-connected disability)	100
At least 30 months, but less than 36 months	90
At least 24 months, but less than 30 months	80
At least 18 months, but less than 24 months	70
At least 12 months, but less than 18 months	60
At least 6 months, but less than 12 months	50
At least 90 days, but less than 6 months	40

Post-9/11 GI Bill Transferability²¹

A servicemember may transfer all or some of their unused Post-9/11 GI Bill benefits to their spouse or children. Transfer requests are submitted and approved while the servicemember is in the military. The servicemember must have at least six years of service, and commit to an additional four years of service in order to transfer benefits to a spouse or child. An eligible servicemember may transfer up to the total months of unused Post-9/11 GI Bill benefits, or the entire 36 months if the member has used none.

A spouse may start to use the benefit immediately upon transfer, while the servicemember remains in the military or after separation. A spouse may use transferred Post-9/11 GI Bill benefits for up to 15 years after the servicemember’s last separation from active duty service. A child may start to use the benefit only after the transferor has completed at least 10 years of military service. This may be while the servicemember remains in the military or after separation. A child is no longer eligible for the transferred benefits after reaching 26 years of age.

Department of Defense’s Basic Allowance for Housing for an “E-5 with dependents” and the zip code of the school. The books and supplies stipend is based on the number of credit hours taken and may not exceed \$1,000 per academic year.

²⁰ USDVA Pamphlet 22-09-01 RE: Post-9/11 GI Bill. May 2012. Available at: http://www.benefits.va.gov/gibill/docs/pamphlets/ch33_pamphlet.pdf

²¹ 38 U.S.C. § 3319.

Marine Gunnery Sergeant John David Fry Scholarship²²

The Marine Gunnery Sergeant John David Fry Scholarship (Fry Scholarship) entitles the surviving spouse²³ and children of a servicemember who died in the line of duty after September 10, 2001 to Post-9/11 GI Bill benefits. The Fry Scholarship pays eligible dependents 36 months of the full, 100% level, of the Post-9/11 GI Bill. This includes the tuition and fee payment, a monthly housing allowance, and a books and supplies stipend. A child's Fry Scholarship eligibility ends on their 33rd birthday and a spouse loses eligibility upon remarriage.

During fiscal year 2013, there were 63,947 Post-9/11 GI Bill beneficiaries enrolled in a higher education institution in Florida.²⁴

Montgomery GI Bill – Active Duty

The Montgomery GI Bill-Active Duty (MGIB-AD)²⁵ generally applies to veterans who began active duty service for the first time after June 30, 1985, had their pay reduced by \$100 a month for 12 months, and received an honorable discharge. Assistance may be used for college degree and certificate programs, technical or vocational courses, flight training, apprenticeships or on-the-job training, high-tech training, licensing and certification tests, entrepreneurship training, certain entrance examinations, and correspondence courses. MGIB-AD benefits are paid on a monthly basis directly to the veteran. The monthly benefit amount depends on several factors including length of service and the type of training pursued. The current monthly rate for a veteran who completed an enlistment of 3 years or more pursuing a full time college degree or certificate is \$1,717.²⁶ A veteran may be eligible for up to 36 months of benefits and must use the benefit within 10 years of the veteran's last discharge. During fiscal year 2013, there were 6,530 MGIB-AD beneficiaries enrolled in a higher education institution in Florida.²⁷

Montgomery GI Bill – Selected Reserve

The Montgomery GI Bill – Selected Reserve program (MGIB-SR)²⁸ provides educational assistance to members actively participating in the Selected Reserve.²⁹ Reservists must be actively drilling and have a 6-year obligation in the reserves to be eligible.³⁰ Assistance may be used for college degree and certificate programs, co-op training, technical or vocational courses, flight training, apprenticeships or on-the-job training, high-tech training, licensing and

²² 38 U.S.C. § 3311(b)(9).

²³ Public Law 113-146, Title VII, Section 701, The Veterans Access, Choice, and Accountability Act of 2014, expanded eligibility for the Fry Scholarship to surviving spouses effective January 1, 2015.

²⁴ National Center for Veterans Analysis and Statistics. Utilization Report on Department of Veterans Affairs Education Program Beneficiaries by Geography: FY 2000 to FY 2013. Available at: <http://www.va.gov/vetdata/Utilization.asp>

²⁵ 38 U.S.C. §§3001-3035.

²⁶ USDVA website. MGIB-AD Rates Effective October 1, 2014. Available at: http://www.benefits.va.gov/GIBILL/resources/benefits_resources/rates/ch30/ch30rates100114.asp.

²⁷ National Center for Veterans Analysis and Statistics. Utilization Report on Department of Veterans Affairs Education Program Beneficiaries by Geography: FY 2000 to FY 2013. Available at: <http://www.va.gov/vetdata/Utilization.asp>

²⁸ 10 U.S.C. §§16131-16136.

²⁹ Selected Reserve components include the Army Reserve, Naval Reserve, Air Force Reserve, Marine Corps Reserve, Coast Guard Reserve, Army National Guard, and Air Force National Guard.

³⁰ 10 U.S.C. §§16131(a), 16132(a); Department of Veterans Affairs, *The Montgomery GI Bill-Selected Reserve*, http://gibill.va.gov/documents/pamphlets/ch1606_pamphlet.pdf.

certification tests, entrepreneurship training, certain entrance examinations, and correspondence courses. A reservist may qualify for up to 36 months of MGIB-SR benefits, in which benefits are paid on a monthly basis directly to the reservist. The current monthly rate payable to a qualifying reservist for a full time degree or certificate program is \$367.³¹ During fiscal year 2013, there were 2,575 MGIB-SR beneficiaries enrolled in a higher education institution in Florida.³²

Survivors' and Dependents' Educational Assistance

Survivors' and Dependents' Educational Assistance program (DEA)³³ is the USDVA benefit program designed for the spouse and children of a veteran who has a service-connected permanent and total disability, died as a result of service, or is listed as Missing in Action or as a Prisoner of War.³⁴ Benefits may be used for degree and certificate programs, apprenticeship, and on-the-job training with a maximum entitlement of 45 months. Children are eligible for DEA until age 26. Spouses are generally eligible for DEA for 10 years from the date the USDVA finds the spouse eligible or the date of the death of the veteran, or 20 years in certain circumstances. The current monthly rate payable to a qualifying spouse or child for a full time degree or certificate program is \$1,018.³⁵ During fiscal year 2013, there were 6,770 DEA beneficiaries enrolled in a higher education institution in Florida.³⁶

Reserve Educational Assistance Program

Reserve Educational Assistance Program (REAP)³⁷ provides educational assistance to National Guard members and reservists who are called to active duty in response to a war, national emergency, or contingency operation as declared by the President or Congress on or after September 11, 2001 for a minimum of 90 consecutive days.³⁸ Maximum full-time entitlement is 36 months. Monthly benefit payments are made directly to a qualified National Guard member or reservist. The benefit rate is a portion of the MGIB-AD three-year enlistment rate. The current monthly rate payable for a full time degree or certificate program for a National Guard member or reservist with at least 90 consecutive days of service, but less than one year is \$686.80.³⁹ During fiscal year 2013, there were 615 REAP beneficiaries enrolled in a higher education institution in Florida.⁴⁰

³¹ USDVA website. MGIB-SR Rates Effective October 1, 2014. Available at:

http://www.benefits.va.gov/GIBILL/resources/benefits_resources/rates/ch1606/ch1606rates100114.asp

³² National Center for Veterans Analysis and Statistics. Utilization Report on Department of Veterans Affairs Education Program Beneficiaries by Geography: FY 2000 to FY 2013. Available at: <http://www.va.gov/vetdata/Utilization.asp>

³³ 38 U.S.C. §§3500-3566.

³⁴ 38 U.S.C. §3501(a)(1).

³⁵ USDVA website. REAP Rates Effective October 1, 2014. Available at:

http://www.benefits.va.gov/GIBILL/resources/benefits_resources/rates/ch35/ch35rates100114.asp

³⁶ National Center for Veterans Analysis and Statistics. Utilization Report on Department of Veterans Affairs Education Program Beneficiaries by Geography: FY 2000 to FY 2013. Available at: <http://www.va.gov/vetdata/Utilization.asp>

³⁷ 10 U.S.C. §§16161-16166.

³⁸ 10 U.S.C. §16163(a).

³⁹ USDVA website. REAP Rates Effective October 1, 2014. Available at:

http://www.benefits.va.gov/GIBILL/resources/benefits_resources/rates/ch1607/ch1607rates100114.asp

⁴⁰ National Center for Veterans Analysis and Statistics. Utilization Report on Department of Veterans Affairs Education Program Beneficiaries by Geography: FY 2000 to FY 2013. Available at: <http://www.va.gov/vetdata/Utilization.asp>

Veterans Educational Assistance Program

The Veterans Educational Assistance Program (VEAP)⁴¹ is an education benefit for veterans who entered service for the first time between December 31, 1976 and July 1, 1985. Although there are still some veterans who use this program, it ended for new enrollees June 30, 1985. During fiscal year 2013, there were 2 VEAP beneficiaries enrolled in a higher education institution in Florida.⁴²

The chart below shows the number of Florida beneficiaries for each USDVA education program for fiscal year 2011 through 2013.⁴³

Fiscal Year	Total Beneficiaries	USDVA Educational Assistance Program					
		Post-9/11	MGIB-AD	MGIB-SR	DEA	VEAP	REAP
2011	68,133	42,607	14,608	3,020	6,810	7	1,081
2012	62,911	42,607	9,454	2,613	6,513	5	818
2013	87,140	63,947	6,530	2,575	6,770	2	615

The Veterans Access, Choice, and Accountability Act of 2014

The Veterans Access, Choice, and Accountability Act of 2014 (Choice Act)⁴⁴ was signed into law in August 2014 as a Federal bipartisan response to the health care access issues facing the USDVA. The Choice Act provides new authorities, funding, and other tools to help support and reform the USDVA. Among the provisions relating to veterans' access to healthcare, the Choice Act addresses tuition rates at public higher education institutions for recently separated veterans and their dependents.⁴⁵ Specifically, the Choice Act requires the USDVA to disapprove programs of education for payment of benefits under the Post-9/11 GI Bill and the Montgomery GI Bill-AD at public institutions if the schools charge qualifying veterans and dependents tuition and fees in excess of the rate for resident students for the terms beginning after July 1, 2015. The USDVA will not issue payments for any students eligible for the Post-9/11 GI Bill or the Montgomery GI Bill-AD until a school becomes fully compliant.⁴⁶ The Choice Act requirements apply only to qualifying students using either the Post-9/11 GI Bill or the Montgomery GI Bill-AD. Institutions are not required to change tuition rate policy for individuals using other USDVA educational benefits.

⁴¹ 38 U.S.C. §§3201-3243.

⁴² National Center for Veterans Analysis and Statistics. Utilization Report on Department of Veterans Affairs Education Program Beneficiaries by Geography: FY 2000 to FY 2013. Available at: <http://www.va.gov/vetdata/Utilization.asp>

⁴³ National Center for Veterans Analysis and Statistics. Utilization Report on Department of Veterans Affairs Education Program Beneficiaries by Geography: FY 2000 to FY 2013. Available at: <http://www.va.gov/vetdata/Utilization.asp>

⁴⁴ Public Law 113-146.

⁴⁵ Public Law 113-146, Title VII, Section 702.

⁴⁶ USDVA summary of Section 702 of the Veterans Access, Choice and Accountability Act of 2014. Available at: http://www.benefits.va.gov/GIBILL/docs/factsheets/Section_702_Factsheet.pdf

Post-9/11 GI Bill and Montgomery GI Bill-AD beneficiaries who are entitled to in-state tuition rates at public institutions pursuant to the Choice Act include:

- A veteran who lives in the state in which the institution of higher learning is located, regardless of the veteran's formal state of residence, and enrolls in the school within 3 years of discharge from a period of active duty service of 90 days or more; or
- A spouse or child using transferred benefits who lives in the state in which the institution of higher learning is located, regardless of the student's formal state of residence, and enrolls in the school within 3 years of the transferor's discharge from a period of active duty service of 90 days or more; or
- A spouse or child using benefits under the Marine Gunnery Sergeant John Dave Fry Scholarship who lives in the state in which the institution of higher learning is located, regardless of the student's formal state of residence, and enrolls in the school within 3 years of the servicemember's death in the line of duty following a period of active duty service of 90 days or more.

An individual who meets the initial requirements above will remain eligible for in-state tuition rates under the Choice Act provided that the individual remains continuously enrolled at the same institution of higher learning once the 3 year date of discharge has passed and continue to uses either Post-9/11 GI Bill or the Montgomery GI Bill-AD benefits.

III. Effect of Proposed Changes:

SPB 7028 amends s. 1009.26(13), F.S., to allow additional persons to be eligible for the out-of-state tuition fee waiver currently afforded to honorably discharged veterans residing in Florida and enrolled in a state university, Florida College System institution, career center operated by a school district, or charter technical career center. The bill requires a state university, Florida College System institution, career center operated by a school district, or charter technical career center to waive out-of-state fees for any person who is entitled to and uses educational assistance through the U.S. Department of Veterans Affairs for a quarter, semester, or term beginning after July 1, 2015, and physically resides in Florida while enrolled in the institution. This addition allows individuals, such as a spouse or child of a veteran or servicemember using GI Bill benefits, to qualify for in-state tuition rates. The Board of Governors and the State Board of Education will adopt regulations and rules, respectively, to administer the out-of-state fee waivers in s. 1009.26(13).

The bill also removes the provision that limits the out-of-state fee waiver for honorably discharged veterans to 110 percent of the required credit hours of a degree or certificate program.

The bill will take effect upon becoming a law.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

Non-resident students using GI Bill educational benefits who qualify for the out-of-state fee waiver under the bill would only pay in-state tuition and fee rates. This would provide a considerable savings to students each semester.

For the 2014-2015 academic year, the average State University System undergraduate cost for tuition and fees for two semesters is \$5,934 for residents and \$20,625 for non-residents. At the graduate level, the average cost for two semesters is \$10,397 for residents and \$25,372 for non-residents.⁴⁷ For the same period, the Florida College System reports the average cost for two semesters is approximately \$3,156 for residents enrolled in lower-level credit programs and \$11,605 for non-residents. For residents enrolled in the upper-level credit programs the cost for two semesters is \$3,610 and \$15,393 for non-residents.⁴⁸

C. Government Sector Impact:

The Board of Governors, based on Fall 2013 enrollment data of veteran dependents using GI Bill benefits, estimates approximately \$2,695,543 in unrealized tuition revenue for the State University System for one year. This estimate is based on the assumption that a veteran's dependents would enroll in 30 credit hours per year.⁴⁹ Fiscal estimate from the Florida College System is unknown at this time.

VI. Technical Deficiencies:

None.

⁴⁷ Florida Board of Governors website. 2014-2015 Tuition and Fees Excel database. Available at: <http://www.flbog.edu/about/budget/current.php>

⁴⁸ E-mail correspondence with Florida College System staff. February 13, 2015. On file with Military and Veterans Affairs, Space, and Domestic Security Staff.

⁴⁹ E-mail correspondence with Board of Governors of the State University System of Florida staff. February 13, 2015. On file with Military and Veterans Affairs, Space, and Domestic Security Committee.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends the following section 1009.26 of the Florida Statutes.

IX. Additional Information:

A. Committee Substitute – Statement of Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.
