

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the NM Legislature. The LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

Current FIRs (in HTML & Adobe PDF formats) are available on the NM Legislative Website (legis.state.nm.us). Adobe PDF versions include all attachments, whereas HTML versions may not. Previously issued FIRs and attachments may be obtained from the LFC in Suite 101 of the State Capitol Building North.

## FISCAL IMPACT REPORT

ORIGINAL DATE 2/15/09  
 SPONSOR Sandoval LAST UPDATED 3/2/09 HJR 11/aHEC  
 SHORT TITLE War Veteran College Scholarship SB \_\_\_\_\_  
 ANALYST Varela

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
	None		

(Parenthesis ( ) Indicate Expenditure Decreases)

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY09	FY10	FY11	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
<b>Total</b>		\$200.0	\$200.0	\$400.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Higher Education Department (HED)  
 Department of Veterans' Services (DVS)

### SUMMARY

#### Synopsis of HEC Amendment

The House Education Committee amendment removes references to "Operation Enduring Freedom or Operation Iraqi Freedom" and replaces with "any United States military campaign or armed conflict as defined by Congress or by Presidential executive order."

The amendment strikes "January 1, 2009" and inserts "August 1, 1990." The amendment appears to allow the military war veterans of previous campaigns to also be eligible.

Synopsis of Original Bill

House Joint Resolution 11 amends Article 9, Section 14 of the Constitution of New Mexico to permit the establishment of a college scholarship program for New Mexico military war veterans.

HJR11 defines a military war veteran as a person who has been honorably discharged from the armed forces of the United States, who was a resident of New Mexico at the original time of entry into the armed forces or who has lived in New Mexico for 10 years or more and has been awarded a southwest Asia service medal, global war on terror service medal, Iraq campaign medal, Afghanistan campaign medal or any other medal issued for service in the armed forces of this country in support of Operation Enduring Freedom or Operation Iraqi Freedom or any other campaign medal issued for service after January 1, 2009, in the armed forces of the United States during periods of armed conflict as defined by Congress or by Executive Order.

The amendment proposed by this resolution shall be submitted to the people for their approval or rejection at the next general election or at any special election prior to that date and may be called for that purpose.

**FISCAL IMPLICATIONS**

This bill carries no appropriation

VSD reports that HED currently has a budget of \$140 thousand for the Vietnam Veteran Scholarship program. It is estimated that this program will require an additional \$200 thousand per year to fund this scholarship. If enacted, money may need to be appropriated to HED to fund this program starting in FY11.

According to the February 2009 revenue estimate, FY10 recurring revenue will only support a base expenditure level that is \$575 million less than the FY09 appropriations before the 2009 solvency reductions. All appropriations outside of the general appropriation act will be viewed in this declining revenue context.

**SIGNIFICANT ISSUES**

HED states that upon discharge, other than dishonorable, veterans are eligible to receive federal educational benefits through either a Montgomery GI Bill worth \$30 thousand for a period up to 10 years or the 9/11 GI Bill worth \$40 thousand for a period up to 15 years. However, GI Bills are not available beyond the 10 or 15 year period after discharge. This provision creates a barrier for many veterans who choose to pursue higher education after their eligibility period has passed.

HJR11 provides the opportunity for New Mexico voting citizens to choose to support the educational goals of veterans who served in Operation Enduring Freedom, Operation Iraqi Freedom or any other campaign medal issued for service after January 1, 2009, by establishing a scholarship to attend a New Mexico public postsecondary institution.

The number of potential scholarships projected to be awarded cannot be determined at this time. According to the U.S. Department of Veterans Affairs report on Americas Wars, there are approximately 15.7 million living veterans in the United States, of those 1.7 million have served in Operation Enduring Freedom and Operation Iraqi Freedom.

**ADMINISTRATIVE IMPLICATIONS**

VSD reports that the application process would be similar to the Vietnam Veteran Scholarship program, with DVS approving the application, issuing an award letter and reporting these approvals to the HED. HED would be the fiscal agent for this program.

**TECHNICAL ISSUES**

HJM11 has no appropriation attached to it. HED recommends that DVS obtain a recurring appropriation to HED to administer the New Mexico Military War Veteran Scholarship similarly to the New Mexico Vietnam Veterans Scholarship.

PV/svb:mt