

**LEGISLATIVE EDUCATION STUDY COMMITTEE
BILL ANALYSIS**

Bill Number: HB 247a

51st Legislature, 1st Session, 2013

Tracking Number: .190393.2

Short Title: Military War Veteran Scholarship Fund

Sponsor(s): Representative George Dodge, Jr. and Others

Analyst: Travis Dulany

Date: March 7, 2013

FOR THE MILITARY AND VETERANS' AFFAIRS COMMITTEE

AS AMENDED

The House Appropriations and Finance Committee amendment strikes the appropriation from the bill.

Original Bill Summary:

HB 247 adds a new section to higher education provisions in current law to create the Military War Veteran Scholarship Fund in the State Treasury.

To begin, HB 247 defines *military war veteran* to mean a person who:

- has been honorably discharged from the US armed forces;
- 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;
 - any other medal issued for service in the US armed forces in support of any US military campaign or armed conflict as defined by Congress or Presidential Executive Order; or
 - any other campaign medal issued for service after August 1, 1990 in the US armed forces during periods of armed conflict as defined by Congress or by Executive Order.

HB 247 continues by describing the administration of the fund:

- The Higher Education Department (HED) will administer the fund and make disbursements from it to reimburse postsecondary educational institutions under the exclusive control of the state for military war veteran students, including:
 - students who have already received a baccalaureate degree; and
 - students enrolled in a program leading to a master's or doctoral degree.

- Money from the fund shall be dispersed on warrants signed by the Secretary of Finance and Administration.
- The reimbursements are for:
 - any tuition payments;
 - required student fees; and
 - book allowances.
- Provided that documentation exists in the student's file, a financial aid officer may exercise professional judgment when special circumstances exist to adjust the cost of attendance, expected family contribution, or modify other factors to make the program responsive to a student's special financial circumstances.

The bill also prescribes the process for application and disbursement of scholarship funds:

- a military war veteran may apply to the Veterans' Services Department (VSD) for a scholarship;
- VSD will determine the eligibility of an applicant and certify approved applicants to HED;
- HED will pay, by voucher, the appropriate postsecondary educational institution an amount not exceeding the amount of the scholarship for an approved military war veteran; and
- money in the fund shall be allocated in the order that applications are received and approved.

Finally, HB 247 states that HED and VSD may adopt rules and procedures as necessary or appropriate to implement the provisions of the bill.

Original Fiscal Impact:

\$150,000 is appropriated from the General Fund to the Military War Veteran Scholarship Fund for expenditure in FY 14. Unexpended or unencumbered funds revert at the end of FY 14.

Original Fiscal Issues:

According to an analysis of similar legislation introduced in 2011, the VSD reported that approximately 176,000 veterans were living within the State of New Mexico in 2011. It is unclear at this time how many of those veterans fall into the criteria outlined in HB 247.

Substantive Issues:

According to the VSD bill analysis for HB 247, post-9/11 benefits are available for veterans for up to 15 years after their discharge from service. This scholarship would increase the incentive for veterans to finish their education and thus qualify for higher paying jobs or help them as entrepreneurs, according to the department.

According to the VSD's *2012 Annual Report*, the following veterans' educational benefits are currently available:

- Vietnam Veteran Scholarship:
 - veterans who have been residents of New Mexico for a minimum of 10 years, have served in the Vietnam War, and were issued the Vietnam Campaign or Service Medal are eligible;
 - this scholarship pays full tuition and the costs for all books at any state-funded postsecondary school;
 - the scholarship also pays tuition for graduate school.

- In-state Tuition for Veterans:
 - veterans, their spouses, and their children do not have to wait to establish “in-state” residency status when applying for college;
 - those who wish to use their G.I. Bill education benefit can immediately take advantage of less-expensive “resident” in-state tuition rates at any state-funded college, university, vocational school, or vocational training program.

- World War II and Korean Veterans’ High School Diploma:
 - any veteran who left a New Mexico high school to serve in World War II or the Korean War will be awarded a valid high school diploma issued from the high school they were attending.

- Apprenticeship Training:
 - the state offers apprenticeship and theoretical training programs for qualified veterans who can receive their G.I. Bill benefits while working full-time and earning a salary;
 - qualified veterans sign a contract establishing the length and scope of the training; and
 - all programs must meet apprenticeship standards set by the US Department of Labor.

- On-the-Job Training:
 - the state offers job training programs that typically last between six months and two years;
 - participating veterans work under an experienced worker’s supervision and draw monthly benefits from the US Department of Veteran Affairs; and
 - upon completion of the program, the veteran is awarded a certificate by the employer indicating the successful completion of the training program.

Background:

According to HED and the US Department of Veteran Affairs, since 1944, when the *Servicemen’s Readjustment Act of 1944*, or the first G.I. Bill, benefits began, more than 21.8 million veterans, service members, and family members have received \$83.6 billion in G.I. benefits for education and training. The number of G.I. recipients includes:

- 7.8 million veterans from World War II;
- 2.4 million from the Korean War; and
- 8.2 million post-Korean and Vietnam-era veterans, plus active duty personnel.

Also according to HED and the US Department of Veteran Affairs, since the Vietnam-era, there have been approximately 2.7 million veterans, service members, reservists, and National Guardsmen and women who have participated in the Veterans' Educational Assistance Program.

Legislation similar to that of HB 247 was introduced in 2011; however, action on that legislation was postponed.

Committee Referrals:

HEC/HAFC

Related Bills:

CS/HB 27 *Expand Lottery Scholarship Eligibility*
HB 28 *Lottery Scholarships at Tribal Colleges*
HB 36a *Veterans' PTSD Treatment Pilot Project*
CS/HB 280 *Gen. Richard T. Knowles Scholarship Program*
*CS/HB 309 *Lottery Scholarship Program Solvency*
CS/SB 100 *Gen. Richard T. Knowles Scholarship Program*
SB 301 *NM Scholars Act Scholarship Eligibility*
SB 451 *Lottery Scholarship Requirements & Debt*