

**LEGISLATIVE EDUCATION STUDY COMMITTEE
BILL ANALYSIS**

Bill Number: HB 438aa

50th Legislature, 1st Session, 2011

Tracking Number: .185064.1

Short Title: Create Military War Veteran Scholarship Fund

Sponsor(s): Representative Thomas A. García and Others

Analyst: Ally Hudson

Date: March 15, 2011

AS AMENDED

The House Appropriations and Finance Committee amendments strike the appropriation.

The House Education Committee amendment removes the reimbursement requirements to non-state colleges.

Original Bill Summary:

HB 438 adds a new section to higher education provisions in current law to create the non-reverting Military War Veteran Scholarship Fund in the State Treasury.

To begin, HB 438 defines *military war veteran* to mean a person who:

- has been honorably discharged from the armed forces of the United States;
- 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 armed forces of the United States in support of any United States 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 armed forces of the United States during periods of armed conflict as defined by Congress or by Executive Order.

HB 438 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 degree, and who are in compliance with the institution's satisfactory academic progress requirements. The reimbursements are for:

- any tuition payments;
 - required student fees; and
 - book allowances.
- Reimbursements to non-state colleges must be made in an amount equal to the highest tuition, required student fees, and book allowances at a state institution.
 - 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 438 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 12.

Unexpended or unencumbered funds revert to the General Fund.

Substantive Issues:

According to an analysis by HED, although the number of potential scholarships to be awarded cannot be determined at this time:

- the United States Department of Veterans' Affairs (USDVA) report on America's Wars indicates that there are approximately 15.7 million living veterans nationwide; and
- of those, 1.7 million have served in Operation Enduring Freedom and Operation Iraqi Freedom.

HED's analysis further indicates:

- Upon discharge, other than dishonorable, veterans are eligible to receive federal educational benefits through either:
 - a Montgomery GI Bill worth \$30,000 for a period up to 10 years; or
 - the Post-9/11 GI Bill worth \$40,000 for a period up to 15 years.
- The provision that establishes a time period for taking advantage of the GI Bill creates a barrier for many veterans who choose to pursue higher education after this eligibility period has expired.

Original Technical Issues:

HB 438 contains an internal conflict. Whereas on page 1, line 23, the fund is characterized as non-reverting; on page 4, line 4, the fund is characterized as reverting.

Background:

According to HED’s analysis:

- According to USDVA, since the original GI bill was enacted in 1944, more than 21.8 million veterans, service members, and family members have received \$83.6 billion in GI benefits for education and training.
- Since its enactment in 1956, the Survivors’ and Dependents’ Educational Assistance Program has assisted in the education of more than 784,000 dependents of veterans.
- Since its enactment in 1977, there have been approximately 2.7 million veterans, service members, reservists, and National Guardsmen who have participated in the Veteran’s Educational Assistance Program.
- In 2008, HED’s analysis continues, USDVA provided educational assistance to 336,527 veterans and active-duty personnel; 106,092 reservists and National Guardsmen; and 80,079 survivors and dependents.
- Finally, HED’s analysis concludes, the New Mexico Department of Veterans Services reports that the state’s veteran population (approximately 176,000 individuals) generates an estimated \$426,000 million in total veterans’ affairs compensation benefits for the state. Approximately 3,500 veterans receive educational and vocational rehabilitation funds in the amount of approximately \$32.0 million.

Related Bills:

HB 122a *Veterans’ Enterprise Fund*

HB 235 *Create Veterans’ National Cemetery Fund*