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FISCAL IMPACT REPORT

ORIGINAL DATE 02/14/11

SPONSOR Garcia, T. LAST UPDATED 03/11/11 HB 438/aHEC/aHAFC

SHORT TITLE Create Military War Veteran Scholarship Fund SB _____

ANALYST Haug

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY11	FY12		
	\$150.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Non-Rec	Fund Affected
FY11	FY12	FY13		
	\$150.0		Recurring	Military War Veteran Scholarship Fund

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Higher Education Department (HED)

Veterans Service Department (VSD)

SUMMARY

Synopsis of HAFC Amendment

The House Appropriations and Finance Committee Amendment removes the appropriation.

Synopsis of HEC Amendment

The House Education Committee Amendment to House Bill 438 removes “non-state” colleges as eligible to receive reimbursements from the HED for military war veteran students. The Military War Veteran Scholarship Fund would be useable only for veterans attending post-secondary educational institutions under the exclusive control of the state.

Synopsis of Original Bill

House Bill 438 appropriates \$150 thousand dollars from the General Fund to the Military War Veteran Scholarship Fund, created in the bill. The bill adds a new section to 21-21E NMSA 1978, Vietnam Veterans Scholarship Fund, expanding eligible recipients for the new fund to those who either entered the military from New Mexico or who have lived in New Mexico for a minimum of 10 years and who have 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 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 after August 1,1990.

FISCAL IMPLICATIONS

The appropriation of \$150 thousand dollars contained in this bill is a recurring expense to the General Fund. Any unexpended or unencumbered balance remaining at the end of Fiscal Year 2012 shall revert to the General Fund. The new fund would be administered by the HED upon certification of eligibility by the VSD.

SIGNIFICANT ISSUES

House Bill 438 would implement the constitutional amendment approved in 2010 creating a Military War Veteran Scholarship.

The VSD states that there are significant issues in reference to the unemployment rate, homelessness, divorce, and such issues that would be impacted by allowing these veterans to further their education and training thus providing them an avenue to higher paying jobs, a better outlook, and self image.

According to the VSD, the Vietnam Veteran Scholarship program receives \$113,000 in recurring funds and that fund is usually expended by the end of the fiscal year.

According to the HED:

Upon discharge, other than dishonorable, veterans are eligible to receive federal educational benefits through either a Montgomery GI Bill worth \$30.0 for a period up to 10 years or the 9/11 GI Bill worth \$40.0 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.

The New Mexico Department of Veterans Services reports that the New Mexico veteran population of 176,447 generates an estimated \$426,000 million in total VA compensation benefits for the state with \$32 million for the 3,500 Veterans receiving education and vocational rehabilitation funding.

OTHER SUBSTANTIVE ISSUES

The HED notes that According to the U.S. Department of Veteran Affairs (USDVA), since 1944, when the first GI Bill began, more than 21.8 million veterans, service members and family members have received \$83.6 billion in GI Bill benefits for education and training. The number

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of GI Bill 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.

GH/mew