

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: CS/SB 84

INTRODUCER: Military and Veterans Affairs, Space, and Domestic Security and Senator Latvala

SUBJECT: Resident Status for Tuition Purposes

DATE: September 25, 2013 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Ryon/Spaulding	Ryon	MS	Fav/CS
2.	_____	_____	ED	_____
3.	_____	_____	AED	_____
4.	_____	_____	AP	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

Please see Section VIII. for Additional Information:

- | | | |
|------------------------------|-------------------------------------|-----------------------------------------|
| A. COMMITTEE SUBSTITUTE..... | <input checked="" type="checkbox"/> | Statement of Substantial Changes |
| B. AMENDMENTS..... | <input type="checkbox"/> | Technical amendments were recommended |
| | <input type="checkbox"/> | Amendments were recommended |
| | <input type="checkbox"/> | Significant amendments were recommended |

I. Summary:

CS/SB 84 allows honorably discharged veterans of the U.S. Armed Forces to be automatically classified as residents of the state for tuition purposes at public institutions of higher education in Florida. The bill essentially waives the current one-year requirement for veterans to establish residency in the state before they may qualify for in-state tuition rates.

The bill substantially amends section 1009.21 of the Florida Statutes.

II. Present Situation:

Florida Law on Resident Status for Tuition Purposes

Florida law classifies postsecondary students as residents or non-residents to determine the applicable tuition rate at a public college, university or institution of higher education within the Florida College System and the State University System of Florida. A “resident for tuition purposes” is a student who qualifies for in-state tuition.¹

¹ s. 1009.21(1)(g), F.S.

A student who is not a dependent qualifies for in-state tuition if the following requirements are met:

- The student must have established and maintained in-state legal residence for a minimum of 12 consecutive months immediately prior to the student's initial enrollment; and
- The student must make a statement that residency was established to maintain a bona fide domicile rather than to set up a temporary residence just to establish in-state residency status to qualify for in-state tuition.

In addition to establishing and maintaining in-state legal residence for a minimum of 12 consecutive months and providing a statement of residency, the non-dependent applicant must also provide two or more of the following documents to show in-state residency:

At least one of the following must be provided:

- A voter's registration card;
- A Florida driver's license;
- A State of Florida identification card;
- A Florida vehicle registration;
- Proof of a permanent home occupied as a primary residence by the student;
- Proof of homestead exemption;
- Transcripts from a Florida high school for multiple years if the Florida high school diploma or GED was earned within the last 12 months; or
- Proof of permanent full-time employment for a duration of 12 months.²

At least one of the following may be provided to show in-state residency:

- A declaration of domicile;
- A state professional or occupational license;
- State incorporation;
- A document evidencing family ties in the state;
- Evidence of membership in state-based charity or professional organization;
- Other documentation that evidences residency, such as energy bills or a lease agreement with demonstrated 12-month payments; or
- An official state, federal, or court document showing legal ties to the state.³

Section 1009.21(10) F.S., provides eleven categories in which individuals who meet certain criteria are automatically considered residents of the state for tuition purposes and are exempt from the 12-month residency requirement. As it relates to active duty military personnel, the following are considered residents for tuition purposes in Florida:

- Active duty members residing or stationed in this state, their spouses, and dependent children, and active drilling members of the Florida National Guard;⁴
- Active duty members and their spouses and dependents attending a Florida College System institution or state university within 50 miles of the military establishment where they are stationed, if such military establishment is within a county contiguous to Florida;⁵

² s. 1009.21(3)(c)1., F.S.

³ s. 1009.21(3)(c)2., F.S.

⁴ s. 1009.21(10)(a), F.S.

⁵ s. 1009.21(10)(b), F.S.

- Active duty members of the Canadian military residing or stationed in this state under the North American Air Defense (NORAD) agreement, and their spouses and dependent children, attending a Florida College System institution or state university within 50 miles of the military establishment where they are stationed;⁶
- Active duty members of a foreign nation's military who are serving as liaison officers and are residing or stationed in this state, and their spouses and dependent children, attending a Florida College System institution or state university within 50 miles of the military establishment where the foreign liaison officer is stationed.⁷

Resident Status for Tuition Purposes for Veterans

Currently, veterans in Florida are not considered residents for tuition purposes based on their status as a veteran. Veterans qualify as residents for tuition purposes through the standard document review process outlined in s. 1009.21, F.S.

Twenty-six states currently waive the required waiting time to establish residency for veterans in order to obtain in-state tuition rates at public higher education institutions.⁸ The qualifying requirements for this benefit and the types of individuals who may be eligible vary among states.

U.S. Department of Veterans Affairs Education Benefit Programs

The U.S. Department of Veterans Affairs (USDVA) provides financial assistance programs to eligible veterans and dependents pursuing post-secondary education. The USDVA currently administers the following six educational assistance programs:

Montgomery GI Bill – Active Duty Educational Assistance Program (MGIB-AD)⁹
The MGIB-AD provides educational assistance to persons who served on active duty in the Armed Forces. Active duty members make an initial contribution and are subsequently entitled to receive a monthly education benefit once they have completed a minimum service obligation.
Montgomery GI Bill – Selected Reserve Educational Assistance Program (MGIB-SR)¹⁰
The MGIB-SR provides educational assistance to members of the reserve components of the Armed Forces. Reservists must be actively drilling and have a 6-year obligation in the reserves to be eligible.
Survivors' and Dependents' Educational Assistance Program (DEA)¹¹
The DEA is a monetary educational benefit payable to eligible dependents and survivors of certain veterans.
Veterans Educational Assistance Program (VEAP)¹²
The VEAP 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.

⁶ s. 1009.21(10)(j), F.S.

⁷ s. 1009.21(10)(k), F.S.

⁸ USA 4 Military Families. *See*: Key Issue 8. Available at:

http://www.usa4militaryfamilies.dod.mil/MOS/f?p=USA4:ISSUE:0:::P2_ISSUE:8

⁹ 38 U.S.C., Chapter 30

¹⁰ 10 U.S.C., Chapter 1606

¹¹ 38 U.S.C., Chapter 35

¹² 38 U.S.C., Chapter 32

Reserve Educational Assistance Program (REAP)¹³
The REAP provides educational assistance to members of the National Guard members and reservists who are called to active duty in response to a war, a national emergency or contingency operation as declared by the President or Congress on or after September 11, 2001.
Post-9/11 GI Bill Program¹⁴
The Post-9/11 GI Bill is the newest educational assistance program which provides financial support for education and housing to individuals with at least 90 days of aggregate service on or after September 11, 2001, or individuals discharged with a service-connected disability after 30 days.

For fiscal year 2011,¹⁵ the state of Florida had the third highest number of USDVA education beneficiaries in the nation with 68,133, behind Texas (76,878) and California (88,420).¹⁶ The number of USDVA education program beneficiaries in Florida has steadily increased since fiscal year 2000 (see Figure One below). Total USDVA education program payments to Florida beneficiaries for fiscal year 2012 was approximately \$700,000,000.¹⁷

Figure One USDVA Education Beneficiaries in Florida¹⁸	
Fiscal Year	Total Florida Beneficiaries
2000	25,556
2001	26,598
2002	28,394
2003	29,551
2004	31,815
2005	31,791
2006	32,193
2007	33,963
2008	36,088
2009	36,394
2010	59,519
2011	68,133

Post-9/11 GI Bill Program

The Post-9/11 GI Bill is the most comprehensive education benefit package since the original GI Bill was signed into law in 1944.¹⁹ This education benefit became effective on August 1, 2009 and has since been the most widely utilized of all USDVA education programs.²⁰ This benefit is

¹³ 10 U.S.C., Chapter 1607

¹⁴ 38 U.S.C., Chapter 33

¹⁵ Fiscal year 2011 is the most recent year in which data is currently available for the number of USDVA education beneficiaries.

¹⁶ USDVA. National Center for Veterans Analysis and Statistics. *Department of Veterans Affairs Education Program Beneficiaries by Geography: FY2000 to FY2011*. Available at: <http://www.va.gov/vetdata/Utilization.asp>

¹⁷ Data inquiry to USDVA via e-mail correspondence. September 23, 2013. On file with Senate Military and Veterans Affairs, Space, and Domestic Security Committee.

¹⁸ Id.

¹⁹ USDVA Veterans Benefits Administration. *Annual Benefits Report: Fiscal Year 2011*. p. 37. Available at: http://www.vba.va.gov/REPORTS/abr/2011_abr.pdf

²⁰ USDVA. National Center for Veterans Analysis and Statistics. *Department of Veterans Affairs Education Program Beneficiaries: FY2000 to FY2011*. Available at: <http://www.va.gov/vetdata/Utilization.asp>.

available to current and former active duty service members, National Guard members, and reservists who have served on active duty for 90 days or more since September 10, 2001. Additionally, the Post-9/11 GI Bill allows an eligible servicemember or veteran to transfer any unused benefits to his or her spouse or dependents. Individuals may be eligible for up to 36 months of education benefits under the Post-9/11 GI Bill program 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.²¹ Approved training under the Post-9/11 GI Bill includes graduate and undergraduate degrees, vocational/technical training, on-the-job training, flight training, correspondence training, licensing and national testing programs, entrepreneurship training, and tutorial assistance. 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 10, 2001. Figure Two below illustrates Post-9/11 GI Bill benefit levels relative to periods of active duty service.

Figure Two Post-9/11 GI Bill Benefit Tiers²²	
Post-9/11 Service	Maximum Amount Payable
At least 36 cumulative months	100%
At least 30 continuous days on active duty and discharged due to service-connected disability	100%
At least 30 cumulative months	90%
At least 24 cumulative months	80%
At least 18 cumulative months	70%
At least 12 cumulative months	60%
At least 6 cumulative months	50%
90 aggregate days	40%

For FY 2011, there were 42,607 Post-9/11 GI Bill beneficiaries in Florida.²³ Currently in Florida, a veteran who is a non-resident and wishes to apply the Post-9/11 GI Bill benefits towards a degree program at a public institution will be billed as a non-resident student. Because the Post-9/11 GI Bill only covers the highest in-state undergraduate tuition, a non-resident veteran would be responsible for the costs that exceed the in-state tuition amount.

The Yellow Ribbon Program

The Yellow Ribbon GI Education Enhancement Program (Yellow Ribbon Program) was created within the Post-9/11 GI Bill program as a means to partially or fully fund tuition and fee expenses that exceed the established thresholds under the Post-9/11 GI Bill. Both public and private colleges and universities are able to participate in the Yellow Ribbon Program, and participation is voluntary. Public institutions may utilize the Yellow Ribbon Program to make

²¹The Post-9/11 GI Bill also provides a monthly housing allowance and a yearly stipend for books and supplies.

²² USDVA. *Post-9/11 GI Bill Pamphlet*. p. 2 Available at: http://gibill.va.gov/documents/pamphlets/ch33_pamphlet.pdf.

²³ See *supra* note 16.

additional funds available to non-resident Post-9/11 GI Bill users whose tuition and fee expenses exceed the amount payable under the Post-9/11 GI Bill.

To participate in the Yellow Ribbon Program, an institution must enter into an official agreement with the USDVA. The agreement specifies the maximum amount an institution will contribute per academic year toward each qualified student's tuition and fee expenses that exceed the amount payable under the Post-9/11 GI Bill. The agreement also indicates the maximum number of individuals for whom contributions will be made in any given academic year. The USDVA will match the institution's contributions, not to exceed 50% of the difference.

Participation in the Yellow Ribbon Program is limited to veterans entitled to the maximum Post-9/11 GI Bill benefit rate (based on service requirements) or their designated transferees.²⁴ Veterans entitled to less than the maximum benefit rate and active duty servicemembers and their spouses are not eligible for this program.

Currently, two Florida College System institutions and four State University System institutions have active agreements with the USDVA to participate in the Yellow Ribbon Program.²⁵

III. Effect of Proposed Changes:

The bill amends s. 1009.21, F.S., to allow an honorably discharged veteran of the U.S. Armed Forces, including those who served in a reserve component or the National Guard, to be automatically classified as a resident of the state for tuition purposes at institutions of higher education in Florida. To be eligible for automatic in-state residency, a veteran must physically reside in the state while enrolled in an institution of higher education.

The bill provides an effective date of July 1, 2014.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

²⁴ See Figure Two for Post-9/11 GI Bill benefit levels relative to an individual's period of active duty service.

²⁵ USDVA. *Florida State Yellow Ribbon Program Information 2013 – 2014*. Available at: http://www.gibill.va.gov/gi_bill_info/ch33/yrp/2013/states/fl.htm.

V. Fiscal Impact Statement:**A. Tax/Fee Issues:**

None.

B. Private Sector Impact:

Veterans who would qualify for automatic residency for tuition purposes under the bill would be exempt from paying out-of-state tuition and fees. This would provide a considerable savings to student veterans each semester.

For the 2013-14 academic year, the average State University System undergraduate cost for tuition and fees for two semesters is \$6,155 for residents and \$21,434 for non-residents. At the graduate level, the average cost for two semesters is \$10,262 for residents and \$25,138 for non-residents.²⁶ For the same period, the Florida College System reports the average cost for two semesters is \$3,124 for residents enrolled in non-baccalaureate degree programs and \$11,531 for non-residents. For residents enrolled in the baccalaureate degree programs the cost for two semesters is \$3,585, and \$15,400 non-residents.²⁷

C. Government Sector Impact:

The total estimated annual unrealized tuition revenue for the State University System as a result of this bill, using 2013-14 enrollment information, is \$8,196,185.²⁸ The Florida College System acknowledges that Florida colleges would experience a potential funding loss due to the reclassification of non-resident student veterans to resident status, but lacked the data needed to provide an estimate of the fiscal impact.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

²⁶ State University System of Florida, Public Colleges and Universities of Florida, Tuition and Required Fees, 2013-14, <http://www.flbog.edu/about/budget/current.php>.

²⁷ Florida College System. 2013-14 Tuition and Fees Rates. On file with the Senate Military and Veterans Affairs, Space, and Domestic Security Committee.

²⁸ State University System of Florida, 2013 Legislative Bill Analysis of SB 84, September 19, 2013.

VIII. Additional Information:

- A. **Committee Substitute – Statement of Substantial Changes:**
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

CS by Military and Veterans Affairs, Space, and Domestic Security on September 24, 2013:

The committee substitute:

- Makes a technical change to replace the term “Armed Services” with “Armed Forces.”
- Clarifies that a veteran must be honorably discharged to qualify for in-state residency.
- Clarifies that veterans of the reserve components and the National Guard are eligible for in-state residency.
- Requires a veteran to physically reside in the state while enrolled in an institution of higher education.

- B. **Amendments:**

None.