

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

BILL: SB 572
SPONSOR: Senator Geller
SUBJECT: Military Personnel on Duty
DATE: December 19, 2003 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Krasovsky</u>	<u>Krasovsky</u>	<u>MS</u>	<u>Favorable</u>
2.	_____	_____	<u>CM</u>	_____
3.	_____	_____	<u>ATD</u>	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

I. Summary:

This bill directs the Agency for Workforce Innovation to provide matching grants to private sector employers in Florida who continue to provide wages to employees serving in the United States Armed Forces Reserves or the Florida National Guard while such employees are on federal active duty, provided the employees are Florida residents during the period of federal active duty. This bill creates new un-numbered sections of the Florida Statutes.

II. Present Situation:

Florida's Military Service Compensation Laws

Under current law, public officials of the state, counties, municipalities or political subdivisions of the state, including district school and community college officers, who are officers or enlisted personnel in the National Guard or a reserve component of the United States Armed Forces may be granted leave of absence from their respective offices and duties to perform active military service. The first 30 days of such leave of absence is to be with full pay (s. 115.09, F.S.). State agencies, counties, and municipalities or political subdivisions may supplement the military pay of their employees who are National Guard members or reservists called to active military service with full pay for the first 30 days and, thereafter, in an amount necessary to bring the reservists' total salary, inclusive of their base military pay, to the level earned at the time they were called to active military duty (s. 115.14, F.S.). The employing entity may, in its discretion, continue to provide any health insurance and other existing benefits to such officials and employees.

On September 25, 2001, the Governor and Cabinet adopted a resolution directing all state

agencies to fully implement ss. 115.09 and 115.14, F.S., for all state employees called to active duty. In presenting the resolution to the Cabinet, the Governor stated that “the resolution encourages private employers, to the extent that they’re able, to take similar actions. And we will also send out a notice to all local governments for their – for their action as well.”¹ According to the Florida League of Cities and the Florida Association of Counties, most counties and municipalities in the state currently extend this coverage to their employees.

Federal Military/Employment Protection

Federal law does not require an employer to pay an employee who is on a military leave of absence. Nevertheless, many employers voluntarily offer differential pay or a specific number of paid military leave days to employees. The Uniformed Services Employment and Reemployment Rights Act, enacted in October 1994 and significantly revised in 1996 and 1998, provides job protection and rights of reinstatement to employees who participate in the National Guard and Reserve.

Similarly, the National Committee for Employer Support of the Guard and Reserve, an agency within the Office of the Assistant Secretary of Defense for Reserve Affairs, operates programs directed toward U.S. employers, employees, and communities to ensure understanding of the role of Reserve component members. This national committee encourages development of employer policies and practices to facilitate employee participation in the Reserve components through a network of 4,500 volunteers in 54 corresponding local committees.

III. Effect of Proposed Changes:

This bill creates the Citizen Soldier Matching Grants Program which directs the Agency for Workforce Innovation to award matching grants to private sector employers who continue to provide wages to employees serving in the United States Armed Forces Reserves or the Florida National Guard while such employees are on federal active duty provided that the employees are Florida residents for the actual period of federal active duty.

Grants provided under this program are for federal active duty starting January 1, 2004 and thereafter. The monthly grant may not exceed one-half of the monthly waged paid by the employer at the level paid prior to the date the employee was called up to federal active duty minus the amount of the employee’s active duty base pay and benefit package. The grant program is to be funded by legislative appropriations. There are no specific appropriations made in this legislation.

The Agency for Workforce Innovation is directed to develop a plan to administer the application and payment procedures of the grant program. Such plan is subject to the notice, review, and objections procedures of the Legislative Budget Commission.

¹ Governor and Cabinet, Cabinet Meeting Transcript 5-6 (Sept. 25, 2001), available at <http://myflorida.com/myflorida/cabinet/agenda01/0925/trans.html>.

IV. Constitutional Issues:**A. Municipality/County Mandates Restrictions:**

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Economic Impact and Fiscal Note:**A. Tax/Fee Issues:**

None.

B. Private Sector Impact:

An employer who continues to provide wages to employees covered by this act will receive matching grants per employee from the state for up to one-half the wages paid minus the employee's base pay and benefit package. The grant program is to be funded by legislative appropriations.

C. Government Sector Impact:

The Florida Department of Military Affairs estimates that over 7,000 Florida National Guard members and Reservists are currently mobilized and on federal active duty.

In preparing the following fiscal impact calculation, AWI noted that the civilian employment of Florida National Guard members and Reservists is as diverse as the overall occupational employment of the state. AWI's Labor Market Information (LMI) section estimates an average annual state wage of \$32,428 based on most recent employment data. Deducting the average military pay (estimated to be \$22,698 for 2004 according to most recent military pay charts) results in a \$9,730 differential; multiplying this differential by 0.5, equates to \$4,865. Multiplying this figure by the total number of Guard Members and Reservists on active duty (about 7,000) results in an estimate of \$34,055,000 for the first State Fiscal Year. However, AWI cautioned that this is probably a high estimate because even with matching funding, not all employers can or will participate. This will be a fluid situation with the total numbers of activated Reservists and National Guard members continuing to fluctuate. AWI estimates that administrative cost associated with this bill would total \$3,405,500 annually.

VI. Technical Deficiencies:

None.

VII. Related Issues:

A companion bill, SB 574, by Senator Geller creates the trust fund to which monies appropriated for this grant program are to be credited.

VIII. Amendments:

None.

This Senate staff analysis does not reflect the intent or official position of the bill's sponsor or the Florida Senate.
