

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 1189 CS

Education of Children of Deceased or Disabled Veterans

SPONSOR(S): Jordan

TIED BILLS:

IDEN./SIM. BILLS: SB 1458

| REFERENCE | ACTION | ANALYST | STAFF DIRECTOR |
|--|-----------------------|----------------|----------------|
| 1) <u>Military & Veteran Affairs Committee</u> | <u>7 Y, 0 N, w/CS</u> | <u>Marino</u> | <u>Carter</u> |
| 2) <u>Education Appropriations Committee</u> | <u></u> | <u>Hammock</u> | <u>Hamon</u> |
| 3) <u>State Administration Council</u> | <u></u> | <u></u> | <u></u> |
| 4) <u></u> | <u></u> | <u></u> | <u></u> |
| 5) <u></u> | <u></u> | <u></u> | <u></u> |

SUMMARY ANALYSIS

Since 1941, Florida has provided educational opportunity for dependent children of deceased or totally and permanently disabled veterans of the U.S. Armed Forces through the Scholarships for Children of Deceased or Disabled Veterans (CDDV). For students that qualify, they receive monetary benefits which cover their cost of tuition and registration. The students may participate in this program at any eligible state institution such as public state universities, community colleges, and technical schools, and eligible private colleges, universities, and technical schools that meet licensure and accreditation, and operation standards.

This committee substitute amends s. 295.01, F.S., by removing the requirement that the deceased or disabled parents of dependent children applying for the CDDV had to have been a Florida resident at the time that they entered the Armed Forces. This allows such parents to have entered the Armed Forces in any state.

In addition, this committee substitute shifts the residency requirement from five years to one. Under this committee substitute, the deceased or disabled service member parent must have been a Florida resident for one year preceding the occurrence of the service-related death or disability.

This committee substitute adds Operation Iraqi Freedom to s. 295.0185, F.S., which establishes an exemption to the requirements in s. 295.01, F.S. for children of deceased or totally disabled parents who are serving in Operation Enduring Freedom (Afghanistan). This allows children applying for the CDDV to forgo the 1 year residency requirement to be eligible for the scholarship program; however, they are still required to meet residency requirements for student financial aid in s. 1009.40, F.S.

The fiscal impact on state government expenditures is indeterminate. See FISCAL IMPACT section for further details.

Finally, this committee substitute provides an effective date of July 1, 2005.

This document does not reflect the intent or official position of the bill sponsor or House of Representatives.

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DATE: 3/22/2005

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. HOUSE PRINCIPLES ANALYSIS:

Empower families: This bill expands the range of eligibility of educational opportunity for children with parents in the U.S. Armed Forces who had a service-related death or total and permanent disability.

B. EFFECT OF PROPOSED CHANGES:

Present Situation:

Scholarships for Children of Deceased or Disabled Veterans

Since 1941, Florida has provided educational opportunity for dependent children of deceased or totally and permanently disabled veterans of the U.S. Armed Forces through the Scholarships for Children of Deceased or Disabled Veterans (CDDV). For students that qualify, they receive monetary benefits which cover their cost of tuition and registration. The students may participate in this program at any eligible state institution such as public state universities, community colleges, and technical schools, and eligible private colleges, universities, and technical schools that meet licensure and accreditation, and operation standards.

In 2004, 157 students qualified and took advantage of this program, up from 151 in 2003. This chart¹ from the 2003-04 Annual Report to the Commissioner by the Office of Student Financial Assistance in the Florida Department of Education tracks the program's appropriations and cost, and the number of participating students over the last few years:

| Year | Students Awarded | Average Award* | Expended Funds | Appropriations |
|---------|------------------|----------------|----------------|----------------|
| 1999-00 | 142 | \$1,513 | \$214,861 | \$333,250 |
| 2000-01 | 158 | \$1,590 | \$251,191 | \$333,250 |
| 2001-02 | 168 | \$1,768 | \$297,062 | \$333,250 |
| 2002-03 | 151 | \$1,961 | \$296,130 | \$333,250 |
| 2003-04 | 157 | \$2,053 | \$322,294 | \$333,250 |

* The maximum award differs per student as it is equal to the tuition and fees at a public postsecondary institution.

Student Eligibility for CDDV²

Eligible students are required to:

- Submit a completed Florida Financial Aid Application for Students by April 1.
- Be a dependent child between the ages of 16 years and 22 years of a Florida qualified veteran by the Florida Department of Veterans' Affairs. All military actions and wars from World War I through the Persian Gulf War and Operation Just Cause may qualify program applicants.
- Meet Florida's general eligibility requirements.
- Be enrolled in a baccalaureate degree program.

¹ Office of Student Financial Assistance, Florida Department of Education, "2003-04 Annual Report to the Commissioner," November 2004, page 19.

² *Id.*

- Not owe a repayment or be in default on any state or federal Title IV grant, scholarship, or loan program unless satisfactory arrangements to repay have been made.
- Not have previously received a bachelor's degree.

Florida Statute

Section 295.01, F.S., provides educational opportunity at state expense for children of a member of the U.S. Armed Forces if the military member entered the Armed Forces while a resident of Florida and died from service-related injuries, disease, or disability while on active-duty or was determined by the U.S. Department of Veterans Affairs to have a one hundred percent total and permanent service-related disability. In addition, the parents must have been bona fide residents of Florida for five years preceding the application by the dependent child for these benefits.

Students eligible for this benefit are subject to requirements in the provisions of ss. 295.03, 295.04, 295.05, and 1009.40, F.S. Section 295.03, F.S., declares the students must comply with the ordinary and minimum requirements for discipline and scholarship of the institution they are attending in order to keep receiving the monetary benefits of this program, and that such benefits will be withheld until the minimum requirements are met. Section 295.04, F.S., describes that the appropriations for this program shall be in each year's General Appropriations Act and that it is only to cover the amount of tuition and registration fees for the students in the program, who may use these benefits for no more than 12 quarters, 8 semesters, or 8 trimesters. Section 295.05, F.S., states that a student who benefits from this program must go through the customary requirement for enrollment at the institution of their choice and that there is no special enrollment benefit from this particular educational opportunity. Finally, s. 1009.40, F.S., lays out some further residency and scholastic requirements for students who receive educational financial aid from the state.

Effect of Proposed Changes:

This committee substitute amends s. 295.01, F.S., by removing the requirement that the deceased or disabled parent's of dependent children applying for the CDDV had to have been a Florida resident at the time that they entered the Armed Forces. This allows such parents to have entered the Armed Forces in any state.

In addition, this committee substitute shifts the residency requirement from five years to one. Under this committee substitute, the deceased or disabled service member parent must have been a Florida resident for one year preceding the occurrence of the service-related death or disability.

This bill makes a technical change regarding the language referring to sections of law to which the student beneficiaries of this program are subject. Nothing substantive changes as a result.

This committee substitute adds Operation Iraqi Freedom to s. 295.0185, F.S., which establishes an exemption to the requirements in s. 295.01, F.S. for children of deceased or totally disabled parents who are serving in Operation Enduring Freedom (Afghanistan). This allows children applying for the CDDV to forgo the 1 year residency requirement to be eligible for the scholarship program; however, they are still required to meet residency requirements for student financial aid in s. 1009.40, F.S.

This committee substitute also amends s. 295.02, F.S., regarding funds appropriated to cover tuition, registration, rent, and books for children of deceased or disabled veterans, by adding s. 295.0185, F.S., to the list.

Finally, this committee substitute provides an effective date of July 1, 2005.

C. SECTION DIRECTORY:

- Section 1. Amends s. 295.01, F.S., removing the requirement that the deceased or disabled parent's of dependent children applying for the CDDV had to have been a Florida resident at the time that they entered the Armed Forces. Also changes five year residency requirement for such parents to one year.
- Section 2. Amends s. 295.0185, F.S., by adding Operation Iraqi Freedom to an exemption already established for children of deceased or totally disabled parents who are serving in Operation Enduring Freedom to the requirements in s. 295.01, F.S.
- Section 3. Amends s. 295.02, F.S., by adding s. 295.0185, F.S., to the list of authorized financial aid programs for children of deceased or disabled veterans.
- Section 4. Provides an effective date of July 1, 2005.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

There are no known or expected fiscal impacts on state government revenues.

2. Expenditures:

The fiscal impact on state government expenditures is indeterminate. It is unknown how many new students would be eligible and apply for this benefit. The Department of Education is unsure how many additional students would participate in the CDDV.

The amount appropriated for the CDDV in HB 1885 for Fiscal Year 2005-2006 is sufficient to cover the same number of students receiving awards in 2003-2004 (157) at an average award amount of \$2,122. The projected average cost of tuition and registration fees for fiscal year 2004-2005 is \$2,188 (See FISCAL COMMENTS). Any increase in the eligible number of students or the average award amount could require a pro-rated award amount.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

There are no known or expected fiscal impacts on local government revenues.

2. Expenditures:

There are no known or expected fiscal impacts on local government expenditures.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

The impact is minimal to the private sector as a whole. However, to the individual student now eligible under this bill and their family, the yearly assistance from the program could be significant since the loss of income from a deceased or totally disabled parent could adversely affect their ability to afford higher education.

D. FISCAL COMMENTS:

The average estimated growth of the award per student was determined by averaging the difference between the award per student over the last five years, as shown in the chart in the Present Situation section of this analysis. The average change was calculated to be \$135 per award per student. This number added to the previous year's average award of \$2,053 results in the estimated average award per student of \$2,188.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

The bill does not require counties or municipalities to spend funds or to take an action requiring the expenditure of funds. This bill does not reduce the percentage of a state tax shared with counties or municipalities. This bill does not reduce the authority that municipalities have to raise revenues.

2. Other:

There do not appear to be any constitutional issues with this bill.

B. RULE-MAKING AUTHORITY:

There appear to be sufficient rules in Florida Statute to allow the Department of Education to develop and maintain the educational opportunity program in this bill.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/COMMITTEE SUBSTITUTE & COMBINED BILL CHANGES

On March 16, 2005, the Committee on Military and Veterans Affairs amended this bill with a strike-all amendment. The strike-all amendment removed the requirement that the deceased or disabled parent's of dependent children applying for the CDDV had to have been a Florida resident at the time that they entered the Armed Forces. The strike-all kept intact the residency requirement change from five years to one in the original bill. The strike-all also added Operation Iraqi Freedom to an exemption provided to children of deceased or totally disabled parents who are serving in Operation Enduring Freedom. The committee then voted to approve the bill favorably with committee substitute by a vote of 7 to 0.