

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.)

Prepared By: Community Affairs Committee

BILL: CS/SB 1592

SPONSOR: Community Affairs Committee, Senator Haridopolos, and others

SUBJECT: Department of Military Affairs

DATE: March 21, 2005

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Vickers	Yeatman	CA	Fav/CS
2.	_____	_____	TA	_____
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

I. Summary:

This committee substitute (CS) directs the Department of Military Affairs to provide life insurance coverage for members of the Florida National Guard (FNG) and to assume responsibility for payment of premiums for such life insurance. Additionally, the CS establishes a state Family Readiness Program to provide need-based financial assistance to families of FNG members who are on active duty.

This CS substantially amends section 250.01 of the Florida Statutes. This CS creates sections 250.342 and 250.5206 of the Florida Statutes.

II. Present Situation:

Servicemembers' Group Life Insurance - Servicemembers' Group Life Insurance (SGLI) is the basic form of life insurance available to members of the U.S. Armed Forces. Active duty, Reserve, and National Guard members of the armed forces are automatically eligible to receive, under current law, \$250,000 of life insurance coverage, which they pay for through payroll deductions. The cost to each servicemember is approximately \$16 a month if they receive the maximum coverage of \$250,000. However, military personnel may decide to opt out of the coverage or take a reduced amount of coverage.¹

Florida National Guard – According to the Department of Military Affairs (DMA), there are currently 11,628 FNG members with 9,648 serving in the Florida Army National Guard and 1,980 serving in the Florida Air National Guard. Approximately 3,000 members of the FNG are

¹ SGLI coverage is available in \$10,000 increments up to the maximum of \$250,000. Premiums are currently \$.065 per \$1,000 of insurance, regardless of the member's age.

currently deployed to a designated combat zone. Members of the FNG are eligible for SGLI coverage. Like other servicemembers, they pay for their coverage through a payroll deduction of \$16.25 a month for the maximum \$250,000 of coverage.

Family Readiness Programs – In the aftermath of the Cold War, and the initiation of the Global War on Terrorism, the National Guard and Reserve have been called to active duty in unprecedented numbers. The military has recognized that these operations have placed enormous strains on servicemembers and their families, and demonstrated that mission readiness and family readiness are closely connected. To ensure that reservists and their families are prepared to cope with the strains associated with long and repeated deployments and are adequately served by military family care systems and organizations, the Department of Defense has established a National Guard and Reserve Family Readiness Strategic Plan. The major goals of this initiative include:

- Support mission readiness through Reserve component family readiness.
- Develop family readiness programs and services that improve quality of life and support recruiting and retention.
- Provide Guard and Reserve members equitable and accessible benefits and entitlements.
- Standardize family readiness programs to ensure Reserve component families are seamlessly integrated into the Total Force and that mission requirements for each service and Reserve component provide family support to the Total Force.

A number of states, including Florida, have established family readiness programs to support and assist military families. As part of this program, the Florida National Guard operates eight Family Centers and provides a fulltime Family Center Support Specialist in each of the designated Family Readiness Areas.

III. **Effect of Proposed Changes:**

Section 1 amends s. 250.01, F.S., to provide a definition for Servicemembers' Group Life Insurance (SGLI). This section provides that SGLI is the life insurance program offered by the Federal Government to every uniformed member of the United States Armed Forces, including the Florida Air National Guard and Florida Army National Guard.

Section 2 creates s. 250.342, F.S., which directs the DMA to provide SGLI for every eligible member of the FNG or to provide another life insurance program determined by the Adjutant General of the Florida National Guard. Subject to a specific appropriation, the DMA is responsible for paying the life insurance premiums to eligible Florida National Guard members. Life insurance coverage provided by this CS is supplemental to any other benefits provided to Florida National Guard members. Finally, the DMA is directed to report the cost of the program, based on the number of life insurance policies and the amount of premiums paid, to the Governor, the President of the Senate, and the Speaker of the House of Representatives.

Section 3 creates s. 250.5206, F.S., to establish a state Family Readiness Program based on the Department of Defense's National Guard and Reserve Family Readiness Strategic Plan 2004-2005 initiative. The purpose of this program is to provide need-based assistance to families of FNG members who are on active duty. The CS provides funds appropriated for this program must be used to purchase needed services and may not be used for staffing or administrative costs. Program funds may be used in emergency situations to purchase critically-needed services, including reasonable living expenses, housing, vehicles, equipment or renovations necessary to meet disability needs, and health care requirements.

The CS provides that requests for assistance must be validated and assessed at the local level by a federal Family Center Support Specialist. Recommendations from the local level must be forwarded to the program director, for subsequent review of recommendations for eligibility, appropriateness, and sufficiency of documentation. The Adjutant General or his or her designee shall review the recommendations and award the funds. The FNG inspector general is required to conduct a monthly audit review of the program and the FNG is directed to provide an annual report summarizing program activities.

Section 4 provides the CS will take effect July 1, 2005.

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:

The CS would provide individuals serving with the FNG an annual savings of approximately \$200 through the state's payment of life insurance premiums.

The Family Readiness Program would benefit eligible family of FNG members through the availability of financial assistance.

C. Government Sector Impact:

Assuming that all 11,628 members of the FNG elected to fully participate in the SGLI program, and the current monthly SGLI premium of \$16.25 remains unchanged, the state would experience an annual fiscal impact of \$2,267,460. In addition, the FNG has indicated that it will require several additional FTEs to administer this provision of the CS.

The Family Readiness Program provided for in the CS is subject to an unspecified appropriation.

VI. Technical Deficiencies:

None.

VII. Related Issues:

Proposed legislation at the federal level would boost the maximum life insurance coverage allowable to \$400,000. Under this proposal the federal government would cover the premium for the additional \$150,000 coverage if the servicemember was deployed to a combat zone. Although not directly related to SGLI, another initiative at the federal level would increase the survivor's death gratuity payment, which is paid to the family of a servicemember killed in combat operations, from \$12,420, to \$100,000.

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

VIII. Summary of Amendments:

None.

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