

STORAGE NAME: h3205a.ed

DATE: March 26, 1998

**HOUSE OF REPRESENTATIVES
AS FURTHER REVISED BY THE COMMITTEE ON
EDUCATION APPROPRIATIONS
BILL RESEARCH & ECONOMIC IMPACT STATEMENT**

BILL #: HB 3205

RELATING TO: National Guard

SPONSOR(S): Representative Wiles and others

COMPANION BILL(S): SB 534 (I)

ORIGINATING COMMITTEE(S)/COMMITTEE(S) OF REFERENCE:

- (1) COMMUNITY COLLEGES AND CAREER PREP YEAS 10 NAYS 0
- (2) COMMUNITY AFFAIRS YEAS 5 NAYS 0
- (3) FINANCE AND TAXATION YEAS 15 NAYS 0
- (4) EDUCATION APPROPRIATIONS YEAS 17 NAYS 0
- (5)

I. SUMMARY:

This bill deletes a date restriction created by Ch. 97-158, Laws of Florida, which limited eligibility for members of the Florida National Guard to receive an exemption of one-half of tuition and fees or, under limited circumstances, to full payment of their tuition and fees, to those members who were enlisted prior to June 30, 1997. This bill allows those Florida National Guard members enlisted after June 30, 1997 to qualify for these benefits, providing an educational safety net in the event that an appropriation providing for a full cost exemption is not made.

The fiscal impact is contingent upon the appropriation amount in the 1998 General Appropriations Act. HB 4211 includes \$505,875 to fund this program for fiscal year 1998-1999.

II. SUBSTANTIVE RESEARCH:

A. PRESENT SITUATION:

Under the provisions of section 250.10, Florida Statutes, the FNG operates a tuition-assistance program for degree- or competency-seeking members which provides an exemption from one-half of a member's tuition and fees on a space-available basis, and full payment of tuition and fees for required courses, where admittance cannot be obtained on a space-available basis, and where the individual has been refused admittance on a space-available basis in the past. In 1997, the Legislature adopted Ch. 97-158, Laws of Florida. One of the effect of this bill was to limit this tuition assistance program to those enrolled in the FNG by June 30, 1997. Ch. 97-158, Laws of Florida, also created a new tuition assistance program allowing the Department of Military Affairs, subject to legislative appropriation, to pay the full cost of tuition and fees for all courses taken by new recruits (those who enlist in the National Guard after June 30, 1997).

An eligible FNG member must meet normal admission standards, satisfy age and state residency requirements, maintain satisfactory academic progress, and maintain membership in the Guard for three years following completion of studies for which the exemption was granted. Repayment penalties are assessed for failure to participate in FNG activities, leaving the FNG prior to the three-year term, or ceasing to maintain satisfactory academic progress.

Eligibility is disallowed for FNG members with baccalaureate degrees, with at least fifteen years of service creditable toward retirement, and members who have not completed basic training. All courses for which tuition assistance is applied must lead toward a degree or satisfy vocational-technical training. An upper limit of 1,000 members of the FNG is annually authorized.

Global political factors during the current decade have visited their own effects upon National Guard units in the fifty states. The FNG has had to cope with an increasingly competitive civilian labor market and an active service component which, while smaller, can offer more lucrative incentives for professional commitment and advancement. For the first time, the FNG has fallen short of its force requirements. The states of Hawaii, Louisiana, West Virginia, and Alabama have offered full, rather than partial, educational assistance programs and have managed to achieve their force complements in spite of cutbacks. Essentially such a program acts as a civilian GI Bill for FNG personnel who have a full-time civilian commitment and only a part-time state military service obligation.

There is a concern that the appropriation for the full cost of tuition and fees for all courses may not always be available. Because of the date restriction added by Ch. 97-158, Laws of Florida, members who joined after June 30, 1997 will not be eligible to receive benefits under the older tuition assistance program which provides, at minimum, an exemption from one-half of the member's tuition and fees. Presently, if no appropriation is made to pay for the increased benefit of full payment of tuition and fees, the new recruits are excluded from receiving the smaller educational benefits provided to other members of the guard. The FNG contends that if the appropriation is cut, their ability to recruit new members will be severely affected.

B. EFFECT OF PROPOSED CHANGES:

The date restriction for the benefits provided to members of the guard other than new recruits is removed so that, at a minimum, all members of the guard would receive an exemption for one-half of their tuition and fees. This bill would provide an educational safety net to new recruits in the event that an appropriation is not made to support the full tuition and fee exemption. The provision added by Ch. 97-158, Laws of Florida, for the full payment of tuition and fees for new recruits, subject to legislative appropriation, remains intact.

C. APPLICATION OF PRINCIPLES:

1. Less Government:

a. Does the bill create, increase or reduce, either directly or indirectly:

(1) any authority to make rules or adjudicate disputes?

N/A

(2) any new responsibilities, obligations or work for other governmental or private organizations or individuals?

N/A

(3) any entitlement to a government service or benefit?

Allows new recruits of the Florida National Guard to receive the educational benefits provided to other members of the guard, in the absence of a legislative appropriation providing for full payment of the member's tuition and fees.

b. If an agency or program is eliminated or reduced:

(1) what responsibilities, costs and powers are passed on to another program, agency, level of government, or private entity?

N/A

(2) what is the cost of such responsibility at the new level/agency?

N/A

(3) how is the new agency accountable to the people governed?

N/A

2. Lower Taxes:

- a. Does the bill increase anyone's taxes?

No.

- b. Does the bill require or authorize an increase in any fees?

No.

- c. Does the bill reduce total taxes, both rates and revenues?

No.

- d. Does the bill reduce total fees, both rates and revenues?

No.

- e. Does the bill authorize any fee or tax increase by any local government?

No.

3. Personal Responsibility:

- a. Does the bill reduce or eliminate an entitlement to government services or subsidy?

N/A

- b. Do the beneficiaries of the legislation directly pay any portion of the cost of implementation and operation?

N/A

4. Individual Freedom:

- a. Does the bill increase the allowable options of individuals or private organizations/associations to conduct their own affairs?

This bill allows new recruits of the Florida National Guard to receive the educational benefits provided to other members of the guard, in the absence of a legislative appropriation providing for full payment of their tuition and fees.

- b. Does the bill prohibit, or create new government interference with, any presently lawful activity?

N/A

5. Family Empowerment:

a. If the bill purports to provide services to families or children:

(1) Who evaluates the family's needs?

N/A

(2) Who makes the decisions?

N/A

(3) Are private alternatives permitted?

N/A

(4) Are families required to participate in a program?

N/A

(5) Are families penalized for not participating in a program?

N/A

b. Does the bill directly affect the legal rights and obligations between family members?

N/A

c. If the bill creates or changes a program providing services to families or children, in which of the following does the bill vest control of the program, either through direct participation or appointment authority:

(1) parents and guardians?

N/A

(2) service providers?

N/A

(3) government employees/agencies?

N/A

D. STATUTE(S) AFFECTED:

Amends s. 250.10, F.S.

E. SECTION-BY-SECTION RESEARCH:

Section 1. Amends paragraphs (a) and (b) of subsection (8) of section 250.10, F.S., by removing the date restriction on eligibility for the older tuition assistance program.

Section 2. Provides that the act takes effect upon becoming law.

III. FISCAL RESEARCH & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:

1. Non-recurring Effects:

None

2. Recurring Effects:

HB 3205 will require the Department of Military Affairs, subject to an appropriation, to pay for the full cost of tuition and fees for required courses for all members of the FNG who do not possess a baccalaureate degree and have less than 15 years service creditable towards retirement, if that member is unable to obtain admittance to a class on a space-available basis.

HB 3205 would also require community colleges and universities to pick up the remaining costs for all similarly-eligible FNG members taking space-available classes on a one-half tuition/fee waiver.

3. Long Run Effects Other Than Normal Growth:

By removing the enlistment cut-off date, half-cost and full-cost tuition/fee waivers would be effectively available to any member of the Florida National Guard at anytime, so long as the member meets the general eligibility requirements:

- a. complete basic training
- b. less than 15 years service creditable towards retirement
- c. have not received a baccalaureate degree
- d. older than 17 years of age
- e. reside in the state of Florida
- f. agree in writing to serve in the active FNG for 3 yrs after completion of studies

4. Total Revenues and Expenditures:

House Bill 4211 includes \$505,875 to fund recruitment of 625 new members for the Florida National Guard, as well as to maintain the FNG members who are already in the program. The cost is based on 76% (475 students) of those FNG members attending community colleges (at \$40/credit hr) and 24% (150 students) attending universities (269 students) full-time (15 credits/yr). This appropriation will continue the assistance for those FNG members in the full-tuition exemption program who could not attend classes on a space-available basis.

The Department of Military Affairs anticipates recruiting 625 new participants per year, and that number will increase comparably for each year over a period of five years. (At that time, DMA anticipates a leveling off of the number of participants as the new participants will begin to equal the number of participants graduating/completing the program.) Based on the FNG's future enlistment goals and projected space-available problems, the DMA would need annual increases of \$331,000 for the next 4 years, for a total annualized program cost of \$1.83 million, at current tuition rate, by the year 2002-2003.

However, if the DMA is unable to fully fund the number of eligible FNG members, state community colleges and universities are liable for up to 50% of these program costs through tuition/fee waivers for Guardsmen attending class on a space available basis.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:

1. Non-recurring Effects:

N/A

2. Recurring Effects:

N/A

3. Long Run Effects Other Than Normal Growth:

N/A

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

1. Direct Private Sector Costs:

N/A

2. Direct Private Sector Benefits:

New members of the Florida National Guard benefit by having, at a minimum, one-half of their tuition and fees exempted by the state.

3. Effects on Competition, Private Enterprise and Employment Markets:

N/A

D. FISCAL COMMENTS:

IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

N/A

B. REDUCTION OF REVENUE RAISING AUTHORITY:

N/A

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

N/A

V. COMMENTS:

This bill allows the purpose of Ch. 97-158, Laws of Florida, (1997) to be achieved since it increases the number of FNG members which may benefit from the older tuition and fees assistance program. The purpose of the changes to the tuition assistance program were to allow the FNG to compete with the civilian labor market and the active service component in order to achieve its force requirements. By eliminating the date restriction, the FNG is able to offer new recruits the educational incentive of exempting, at a minimum, one-half of their tuition and fees.

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

N/A

VII. SIGNATURES:

COMMITTEE ON COMMUNITY COLLEGES AND CAREER PREP:

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PAGE 9

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