

1 A bill for an act

2 relating to the military; extending the time period
3 for adjutant general of the Minnesota National Guard
4 to make tuition reimbursement grants to members who
5 have served in active military service; amending
6 Minnesota Statutes 2004, section 192.501, subdivision
7 2.

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

9 Section 1. Minnesota Statutes 2004, section 192.501,
10 subdivision 2, is amended to read:

11 Subd. 2. [TUITION AND TEXTBOOK REIMBURSEMENT GRANT
12 PROGRAM.] (a) The adjutant general shall establish a program to
13 provide tuition and textbook reimbursement grants to eligible
14 members of the Minnesota National Guard within the limitations
15 of this subdivision.

16 (b) Eligibility is limited to a member of the National
17 Guard who:

18 (1) is serving satisfactorily as defined by the adjutant
19 general;

20 (2) is attending a postsecondary educational institution,
21 as defined by section 136A.15, subdivision 6, including a
22 vocational or technical school operated or regulated by this
23 state or another state or province; and

24 (3) provides proof of satisfactory completion of
25 coursework, as defined by the adjutant general.

26 ~~In-addition,~~ (c) Notwithstanding paragraph (b), clause (1),

1 for a person who:

2 (1) has satisfactorily completed the person's service
3 contract in the Minnesota National Guard or the portion of it
4 involving selective reserve status, for which any part of that
5 service was spent serving honorably in federal active service or
6 federally funded state active service since September 11, 2001,
7 the person's eligibility is extended for a period of two years,
8 plus an amount of time equal to the duration of that person's
9 active service, subject to the credit hours limit in paragraph
10 (g); or

11 (2) has served honorably in the Minnesota National Guard
12 and has been separated or discharged from that organization due
13 to a service-connected injury, disease, or disability, the
14 eligibility period is extended for eight years beyond the date
15 of separation, subject to the credit hours limit in paragraph
16 (g).

17 (d) If a member of the Minnesota National Guard is killed
18 in the line of state active service or federally funded state
19 active service, as defined in section 190.057, subdivisions 5a
20 and 5b, the member's surviving spouse, and any surviving
21 dependent who has not yet reached 24 years of age, is eligible
22 for a tuition and textbook reimbursement grant, with each
23 eligible person independently subject to the credit hours limit
24 in paragraph (g).

25 (e) The adjutant general may, within the limitations of
26 this-paragraph paragraphs (b) to (d) and other applicable laws,
27 determine additional eligibility criteria for the grant, and
28 must specify the criteria in department regulations and publish
29 changes as necessary.

30 ~~(e)~~ (f) The amount of a tuition and textbook reimbursement
31 grant must be specified on a schedule as determined and
32 published in department regulations by the adjutant general, but
33 is limited to a maximum of an amount equal to the greater of:

34 (1) up to 100 percent of the cost of tuition for lower
35 division programs in the College of Liberal Arts at the Twin
36 Cities campus of the University of Minnesota in the most recent

1 academic year; or

2 (2) up to 100 percent of the cost of tuition for the
3 program in which the person is enrolled at that Minnesota public
4 institution, or if that public institution is outside the state
5 of Minnesota, for the cost of a comparable program at the
6 University of Minnesota, except that in the case of a survivor
7 as defined in paragraph (b), the amount of the tuition and
8 textbook reimbursement grant for coursework satisfactorily
9 completed by the person is limited to 100 percent of the cost of
10 tuition for postsecondary courses at a Minnesota public
11 educational institution.

12 Paragraph (g) Paragraphs (b) to (e) notwithstanding, a
13 person is no longer eligible for a grant under this subdivision
14 once the person has received grants under this subdivision for
15 the equivalent of 208 quarter credits or 144 semester credits of
16 coursework.

17 ~~(d)~~ (h) Tuition and textbook reimbursement grants received
18 under this subdivision may not be considered by the Minnesota
19 Higher Education Services Office or by any other state board,
20 commission, or entity in determining a person's eligibility for
21 a scholarship or grant-in-aid under sections 136A.095 to
22 136A.1311.

23 ~~(e)~~ (i) If a member fails to complete a term of enlistment
24 during which a tuition and textbook reimbursement grant was
25 paid, the adjutant general may seek to recoup a prorated amount
26 as determined by the adjutant general. However, this authority
27 does not apply to a person whose separation from the National
28 Guard is due to a medical condition or financial hardship.

29 (j) For purposes of this section, the terms "active
30 service," "state active service," "federally funded state active
31 service," and "federal active service" have the meanings given
32 in section 190.05, subdivisions 5 to 5c, respectively, except
33 that for purposes of paragraph (c), clause (1), these terms
34 exclude service performed exclusively for purposes of:

35 (1) basic combat training, advanced individual training,
36 annual training, and periodic inactive duty training;

1 (2) special training periodically made available to reserve
2 members;

3 (3) service performed in accordance with section 190.08,
4 subdivision 3; and

5 (4) service performed as part of the active guard/reserve
6 program pursuant to United States Code, title 32, section
7 502(f), or other applicable authority.

8 [EFFECTIVE DATE.] This section is effective the day
9 following final enactment and applies to persons who have served
10 in the Minnesota National Guard at any time since September 11,
11 2001, and if the person has died in the line of service, to the
12 person's surviving spouse and dependent as well.

Fiscal Note – 2005-06 Session

Bill #: S0616-1E **Complete Date:** 03/17/05

Chief Author: SAMS, DALLAS

Title: NATL GUARD TUITION & TEXTBOOK REIMB

Fiscal Impact	Yes	No
State	X	
Local		X
Fee/Departmental Earnings		X
Tax Revenue		X

Agency Name: Military Affairs Dept

This table reflects fiscal impact to state government. Local government impact is reflected in the narrative only.

Dollars (in thousands)	FY05	FY06	FY07	FY08	FY09
Expenditures					
General Fund	0	0	0	0	0
Less Agency Can Absorb					
-- No Impact --					
Net Expenditures					
General Fund	0	0	0	0	0
Revenues					
-- No Impact --					
Net Cost <Savings>					
General Fund	0	0	0	0	0
Total Cost <Savings> to the State					

	FY05	FY06	FY07	FY08	FY09
Full Time Equivalent					
General Fund		1.00	1.00	1.00	1.00
Total FTE		1.00	1.00	1.00	1.00

Bill Description

A bill to extend the time period for eligibility under the tuition reimbursement program for members who have been ordered into active service since the 9/11 terrorist attacks

Assumptions

Bill extends benefits eligibility for two years plus the time spent on active service for members who have served on active service and have satisfactorily completed their enlistment contract with the MN National Guard. For those members separated who have service connected injury, disease, or disability, the eligibility is extended for eight years plus time spent.

Since bill appropriates no money, any additional costs would have to be absorbed within program's current appropriations.

Bill will require separate system to maintain data on eligibility once members have severed their relationship with the MN National Guard. Department will have additional administrative tasks.

Bill will require central state office to process applications for former members which is currently done through their unit of assignment. This will be a fairly large administrative burden.

Expenditure and/or Revenue Formula

At the authorized 100%, the reimbursement rate is anticipated to be \$3292/per year per participant in FY06 and \$3473 in FY07.

Cost for employee is approximately \$50K per year. Will also need computer and admin support at \$2K per year. Those costs amount to a reduction of 15 participants per year or a 1% reduction in the reimbursement rate.

Military Affairs has no empirical data on which to base any estimate of impact. Below is anticipated impact of 25 and 100 members.

If another 25 prior members exercise their eligibility under this bill, the rate will have to be reduced to about 99% and if we gain an additional 100 persons in the program, the rate will be about 96%. (FY06 \$3292 x 2500 participants = \$8,230,000. Total paid \$8,230,000/2525 = \$3260 per participant. \$3260/\$3292 = 99%)

Long-Term Fiscal Considerations

The number of additional eligible members will continue to grow until those in the first four year period lose eligibility.

Increase in U of M tuition rates will magnify effects of the policy change over time.

Local Government Costs

None

References/Sources

Educations Services Office, Dept of Military Affairs.
Internal documents.

Agency Contact Name: Terrence Palmer
FN Coord Signature: TERENCE PALMER
Date: 03/14/05 Phone: 268-8948

EBO Comments

I have reviewed this Fiscal Note for accuracy and content.

Pass

Senators Nienow, Wergin, Vickerman and Hann introduced--
S.F. No. 1496: Referred to the Committee on Finance.

1 A bill for an act
2 relating to veterans affairs; authorizing the carry
3 forward of the unexpended appropriation for the
4 veterans service office grant program; amending
5 Minnesota Statutes 2004, section 197.608, by adding a
6 subdivision.

7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

8 Section 1. Minnesota Statutes 2004, section 197.608, is
9 amended by adding a subdivision to read:

10 Subd. 8. [APPROPRIATION CARRIES FORWARD.] Notwithstanding
11 section 16A.28, of the appropriation to the commissioner of
12 veterans affairs for the veterans service office grant program
13 in any biennium, any unexpended amount from the second year of
14 the biennium is carried forward to the first year of the
15 following biennium and is available until expended.

16 [EFFECTIVE DATE.] This section is effective the day
17 following final enactment.

1 moves to amend H. F. No. 1135, as follows:

2 Page 1, after line 17, insert the following:

3 "Sec. 2. Minnesota Statutes 2004, section 197.608,
4 subdivision 5, is amended to read:

5 Subd. 5. [QUALIFYING USES.] The commissioner shall consult
6 with the Minnesota Association of County Veterans Service
7 Officers in developing a list of qualifying uses for grants
8 awarded under this program. The commissioner is authorized to
9 use any unexpended funding for this program to provide training
10 and education for county veterans service officers.

11 [EFFECTIVE DATE.] This section is effective the day
12 following final enactment."

Fiscal Note – 2005-06 Session

Bill #: S1496-0 **Complete Date:** 03/16/05

Chief Author: NIENOW, SEAN

Title: VETERANS SVCE OFFICE GRANT PRGM CF

Fiscal Impact	Yes	No
State	X	
Local		X
Fee/Departmental Earnings		X
Tax Revenue		X

Agency Name: Veterans Affairs Dept

This table reflects fiscal impact to state government. Local government impact is reflected in the narrative only.

Dollars (in thousands)	FY05	FY06	FY07	FY08	FY09
Expenditures					
General Fund	118	0	4	0	4
Less Agency Can Absorb					
-- No Impact --					
Net Expenditures					
General Fund	118	0	4	0	4
Revenues					
-- No Impact --					
Net Cost <Savings>					
General Fund	118	0	4	0	4
Total Cost <Savings> to the State	118	0	4	0	4

	FY05	FY06	FY07	FY08	FY09
Full Time Equivalent					
-- No Impact --					
Total FTE					

Bill Description

Passage of HF 1135 will allow the department to retain and carry forward an unexpended amount of \$118,000 from F.Y. 5 and then a limited amount of funds (approximately \$2,000 to \$8,000 each biennium) appropriated to the department to fund the County Veterans Service Officer (CVSO) grant program.

Assumptions

Prior to F.Y. 04, the Department of Veterans Affairs had legislation allowing carry-forward in this program. When this program reduced from \$236,000 per year to \$95,000 per year, appropriation language changed, in error, leaving out the department's authority to spend the money to train County Veterans Service Officers and the carry-forward authority. This department was given permission to carry forward \$109,000 from F.Y. 03 into F.Y. 04, but the training portion and the authority to spend the money were omitted. The Department of Finance laid out a plan for us to spend the majority of the \$109,000 (\$95,000) in different areas of the department's budget in F.Y. 04-05, but the Commissioner of Veterans Affairs wanted to spend the money for training CVSOs and for additional educational tools for them to use in an ongoing manner.

Currently, in a very limited number of instances, not all of these funds are expended in the form of grants to eligible County Veterans Service Officers. We put \$4,000 per biennium on the expenditure page as we have only one year of data at the reduced appropriation level, for this estimate.

Lacking the financial flexibility to use unexpended program funds for other than grants to the respective counties, the department is required to return these unexpended funds to the general fund.

The department would utilize any carried forward funds in this account to provide education and training to the County Veterans Service Officers. Financial constraints have forced the department to reduce efforts in this area. The ability to utilize remaining CVSO grant program funds will enhance training efforts and will increase the quality of service provided to Minnesota's veterans, their dependents and survivors.

Expenditure and/or Revenue Formula

A carry forward of a \$118,000 from F.Y. 05 and then between \$2,000 and \$8,000 every other year may be brought forward. We would spend the money appropriately on CVSO Grants and training of County Veterans Service Officers.

Long-Term Fiscal Considerations

Minimal

Local Government Costs

None

References/Sources

Department of Veterans Affairs financial records.

Agency Contact Name: Kathy Schwartz
FN Coord Signature: KATHLEEN SCHWARTZ
Date: 03/15/05 Phone: 297-2123

EBO Comments

I have reviewed this Fiscal Note for accuracy and content.

EBO Signature: KRISTI SCHROEDL
Date: 03/16/05 Phone: 215-0595

1 A bill for an act

2 relating to military affairs; creating a fund for the
3 purpose of reimbursing members of the National Guard
4 or other reserve component of the armed forces for
5 certain premiums paid for life insurance;
6 appropriating money; proposing coding for new law in
7 Minnesota Statutes, chapter 190.

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

9 Section 1. [190.091] [SERVICE MEMBERS' LIFE INSURANCE
10 REIMBURSEMENT FUND CREATED.]

11 (a) The service members' life insurance reimbursement fund
12 is created in the state treasury, consisting of:

13 (1) legislative appropriations;

14 (2) gifts, grants, donations, and bequests to the fund; and

15 (3) income from investment of the fund.

16 (b) Money in the fund is annually appropriated to the
17 adjutant general for the purpose of reimbursing eligible members
18 of this state's National Guard or ^{Minnesota residents serving in} other reserve component of the
19 armed forces of the United States for premiums paid for benefits
20 under the service members' group life insurance program, as
21 provided for in United States Code, title 38, section 1965 et
22 seq., as amended.

23 (c) The adjutant general shall adopt rules necessary to
24 determine eligibility for reimbursement and to implement a
25 reimbursement program. Nothing in this section is intended to
26 alter, amend, or change the eligibility or applicability of the

1 service members' group life insurance program, as provided for
2 in United States Code, title 38, section 1965 et seq., as
3 amended, or any rights, responsibilities, or benefits thereunder.

4 Sec. 2. [APPROPRIATION.]

5 \$. in the fiscal biennium ending June 30, 2007, is
6 appropriated from the general fund to the service members' life
7 insurance reimbursement fund to pay premium reimbursements, as
8 provided in section 1.

9 Sec. 3. [EFFECTIVE DATE.]

10 Section 1 is effective the day following final enactment
11 and applies to premiums paid on or after that date.

Fiscal Note – 2005-06 Session

Bill #: S0681-1E **Complete Date:** 03/17/05

Chief Author: WIGER, CHARLES

Title: NATL GUARD & RESERVES INSUR PREMIUMS

Fiscal Impact	Yes	No
State	X	
Local		X
Fee/Departmental Earnings		X
Tax Revenue		X

Agency Name: Military Affairs Dept

This table reflects fiscal impact to state government. Local government impact is reflected in the narrative only.

Dollars (in thousands)	FY05	FY06	FY07	FY08	FY09
Expenditures					
New Fund		3,776	3,774	3,774	3,774
General Fund		3,776	3,774	3,774	3,774
Less Agency Can Absorb					
-- No Impact --					
Net Expenditures					
New Fund		3,776	3,774	3,774	3,774
General Fund		3,776	3,774	3,774	3,774
Revenues					
New Fund		3,776	3,774	3,774	3,774
Net Cost <Savings>					
New Fund		0	0	0	0
General Fund		3,776	3,774	3,774	3,774
Total Cost <Savings> to the State		3,776	3,774	3,774	3,774

	FY05	FY06	FY07	FY08	FY09
Full Time Equivalent					
New Fund		2.00	2.00	2.00	2.00
Total FTE		2.00	2.00	2.00	2.00

Bill Description

A bill creating a fund for the purpose of reimbursing members of the National Guard or other reserve component of the armed forces for certain premiums paid for life insurance.

Assumptions

SGLI premiums will remain fixed at \$.065/\$1000 coverage/month for each service member. If coverage maximum (currently \$250K) goes up, premiums will probably also increase.

All National Guard and reserve members will acquire maximum coverage and request reimbursement (\$.065 x \$250,000/\$1000) or \$16.25 per month.

National Guard strength (12,800) and reserve strength (~6000) will remain fairly stable.

Bill requires reimbursement. Even if only paid once per year, will require 18,000+ transactions per year or 1500+ per month. This will require 2 full-time employees to administer.

Military Affairs will need to establish communications with other reserve components to establish rules and policies sufficient to administer program.

We will not encounter any privacy issues in acquiring documentation sufficient to verify eligibility.

Expenditure and/or Revenue Formula

Initial costs (1 st Year)	$\$16.25 \times 18,800 \times 12 =$	\$3.666M
Computer (2) =		\$2K
Employee (2 FTE) =		\$100K
Admin (Postage, phones, etc) =		8K
Total		\$3.776M

If we make this promise, we need sufficient general fund appropriations to make the payments to all those who are eligible. Any gifts, grants, donations, bequests, etc. received into fund would merely offset general fund appropriations. We would expect no interest income for several years.

Long-Term Fiscal Considerations

Federal adjustments in SGLI premiums or coverage authorized will likely further increase cost of program.

Local Government Costs

None

References/Sources

Internal DMA documents.
Leave & Earning Statements for military members.
DOD Life Insurance Program website

Agency Contact Name: Terrence Palmer (651-268-8948)
FN Coord Signature: TERRENCE PALMER
Date: 03/14/05 Phone: 268-8948

EBO Comments

I have reviewed this Fiscal Note for accuracy and content.

EBO Signature: KRISTI SCHROEDL
Date: 03/17/05 Phone: 215-0595

1 A bill for an act

2 relating to the military; creating a program that
3 provides interest-free loans to certain members of the
4 Minnesota National Guard or other military reserve
5 units called to federal active service and deployed
6 outside of the United States; appropriating money;
7 amending Minnesota Statutes 2004, section 192.501, by
8 adding a subdivision.

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

10 Section 1. Minnesota Statutes 2004, section 192.501, is
11 amended by adding a subdivision to read:

12 Subd. 2a. [INTEREST-FREE LOAN FOR FOREIGN DEPLOYMENT.] (a)

13 The adjutant general shall establish a program to provide an
14 interest-free loan from the state in the amount of up to \$2,000
15 for each month of deployment described in paragraph (b), clause
16 (1), to each eligible soldier within the limitations of this
17 subdivision.

18 (b) Eligibility is limited to a member of the Minnesota
19 National Guard or other reserve components of the armed forces
20 of the United States who:

21 (1) engaged in a deployment under federal active service as
22 defined in section 190.05, subdivision 5c, for at least 90
23 consecutive days to a location outside of the United States;

24 (2) is serving satisfactorily as defined by the adjutant
25 general or was honorably discharged following completion of the
26 deployment;

27 (3) submits an application under the procedures established

1 by the adjutant general within eight months of completion of the
2 deployment; and

3 (4) was a resident of Minnesota when the deployment began.

4 In addition, if the eligible member is killed during the
5 overseas deployment, the member's surviving spouse is eligible
6 for an interest-free loan under this subdivision.

7 The adjutant general may adopt rules to provide additional
8 eligibility criteria for the loan and repayment terms for the
9 loan.

10 (c) The maximum amount of a loan under this subdivision is
11 \$24,000.

12 (d) Loans made under this subdivision must be repaid within
13 20 years of the date of the origin of the loan. Repayments
14 shall be deposited to the general fund.

15 (e) The adjutant general may impose a reasonable,
16 nonrefundable application fee for each loan application and an
17 origination fee to pay the costs of issuing and servicing the
18 loan. The application fees shall be initially set at \$50 and
19 the origination fee shall be initially set at one percent of the
20 loan. The adjutant general may adjust the fees by rule. The
21 fees must be deposited in the state treasury and credited to an
22 account in the special revenue fund. Money in the account is
23 appropriated to the adjutant general for administrative expenses
24 of the loan program under this subdivision.

25 Sec. 2. [APPROPRIATION.]

26 \$..... is appropriated from the general fund to the
27 adjutant general for loans under section 1. This appropriation
28 is available until spent.

Fiscal Note – 2005-06 Session

Bill #: S0362-1E **Complete Date:** 04/07/05

Chief Author: MURPHY, STEVE

Title: INTEREST-FREE LOANS;RES & NATL GUARD

Fiscal Impact	Yes	No
State	X	
Local		X
Fee/Departmental Earnings	X	
Tax Revenue		X

Agency Name: Military Affairs Dept

This table reflects fiscal impact to state government. Local government impact is reflected in the narrative only.

Dollars (in thousands)	FY05	FY06	FY07	FY08	FY09
Expenditures					
General Fund		76,800	76,800	76,800	76,800
Misc Special Revenue Fund		110	110	110	110
Less Agency Can Absorb					
-- No Impact --					
Net Expenditures					
General Fund		76,800	76,800	76,800	76,800
Misc Special Revenue Fund		110	110	110	110
Revenues					
General Fund			3,840	7,680	11,520
Misc Special Revenue Fund		928	928	928	928
Net Cost <Savings>					
General Fund		76,800	72,960	69,120	65,280
Misc Special Revenue Fund		(818)	(818)	(818)	(818)
Total Cost <Savings> to the State		75,982	72,142	68,302	64,462

	FY05	FY06	FY07	FY08	FY09
Full Time Equivalents					
Misc Special Revenue Fund		2.00	2.00	2.00	2.00
Total FTE		2.00	2.00	2.00	2.00

Bill Description

A bill for an act relating to the military; creating a program that provides interest-free loans to certain members of the Minnesota National Guard or other military reserve units called to federal active service and deployed outside of the United States.

Assumptions

The Department of Military Affairs only has visibility on National Guard deployments. We assume the number of reserve members are about 1/2 (7442) of the National Guard (12,800) and have similar deployment numbers.

Assume that the deployments will continue at their current pace for the next few years.

Since loans are 0% interest, 20 year, most members will utilize.

Will require at least 2 FTE to administer program, process disbursements, and receive loan payments.

Loan terms will require annual payment (\$1200/year based on \$24,000 loan with 20 year repayment).

Total currently deployed members = 1745 National Guard + 805 reservists = 2415. Would expect total eligible for FY06 to be about 2000 National Guard + 1200 reservists = 3200

Deployed numbers could be as high as 6400 for National Guard.

Length of deployments could be less than 12 months.

Costs will taper off within 5 or 6 years as redeployed members have already used eligibility.

Application fees are non-refundable and are paid prior to loan.

Origination fees may be subtracted from loan amounts disbursed.

Costs of collections on overdue payments not included.

Expenditure and/or Revenue Formula

Expenditure

General Fund

3200 deployed members x 12 months = 38,400 months payable

38,400 months x 2000 = \$76.8M

Total estimate = \$76.8M year 1, first 4 years.

Special Revenue Fund

2 FTE plus administrative costs plus costs for computer and phone = \$110K per year.

Revenue

General Fund

\$1200 year x 3200 members = \$3.84M year FY07 and beyond. This would be cumulative as more members enter repayment periods.

Special Revenue Fund

Application Fees

3200 Applications X \$50 = \$160K/yr

Origination Fees

1% X \$76.8M = \$768K/yr for 1st 4 years

Total Special Revenue = \$928K/yr

Long-Term Fiscal Considerations

Collections activities will go on for 20+ years.

Local Government Costs

None

References/Sources

DOD Deployment Statistics

Agency Contact Name: Terrence Palmer (651) 282-4678

FN Coord Signature: TERRENCE PALMER
Date: 04/07/05 Phone: 268-8948

EBO Comments

I have reviewed this Fiscal Note for accuracy and content.

EBO Signature: KRISTI SCHROEDL
Date: 04/07/05 Phone: 215-0595

Senators Murphy, Day, Sparks, Vickerman and Dille introduced--

S.F. No. 363: Referred to the Committee on Agriculture, Veterans and Gaming.

1 A bill for an act

2 relating to the military; modifying the eligibility
3 for state-paid insurance and benefits by making
4 members of the Minnesota National Guard or other
5 military reserve units called to federal active
6 service and deployed to foreign lands and their
7 families eligible for participation in the health
8 insurance portions of the state employee group
9 insurance program; appropriating money; amending
10 Minnesota Statutes 2004, sections 43A.24, by adding a
11 subdivision; 43A.26; 43A.30, subdivision 1.

12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

13 Section 1. Minnesota Statutes 2004, section 43A.24, is
14 amended by adding a subdivision to read:

15 Subd. 4. [ELIGIBLE SOLDIERS.] (a) A member of the
16 Minnesota National Guard or other reserve component of the armed
17 forces of the United States is eligible to participate in the
18 hospital and medical benefits contained in the plan established
19 under section 43A.18, subdivision 2, if the soldier:

20 (1) engaged in a deployment under federal active service as
21 defined in section 190.05, subdivision 5c, for at least 90
22 consecutive days to a location outside of the United States;

23 (2) is serving satisfactorily as defined by the adjutant
24 general or was honorably discharged following completion of the
25 deployment;

26 (3) submits an application for benefits under the
27 procedures established by the commissioner within eight months
28 of completion of the deployment;

1 (4) certifies that the soldier, or soldier's spouse if
2 applicable, does not have insurance coverage available through
3 the soldier or spouse's employer or will not have insurance
4 coverage available when the coverage under section 43A.18,
5 subdivision 2, is to begin; and

6 (5) was a resident of Minnesota when the deployment began.

7 (b) The eligible soldier is eligible for one month of
8 coverage for each month of the deployment described in paragraph
9 (a), clause (1). Coverages made available, including optional
10 coverages, are those contained in the plan established under
11 section 43A.18, subdivision 2.

12 (c) If the eligible soldier is killed during the
13 deployment, the member's surviving spouse or dependents are
14 eligible for health and medical benefits to the same extent that
15 the soldier would have been eligible.

16 (d) The eligible soldier is eligible to receive coverage,
17 whether single coverage for the soldier only or family coverage
18 for the soldier, spouse, and dependents, at the premium rate for
19 single coverage of a full-time employee.

20 (e) For purposes of continuation insurance, when coverage
21 ends under this subdivision, the termination is considered a
22 qualifying event.

23 Sec. 2. Minnesota Statutes 2004, section 43A.26, is
24 amended to read:

25 43A.26 [OPTIONAL COVERAGES.]

26 The commissioner may make available to eligible persons and
27 their dependents certain optional coverages provided by carriers
28 selected by the commissioner. Eligible employees may elect to
29 purchase optional coverages at their own expense. If family
30 coverage is available to other eligible persons, eligible
31 soldiers under section 43A.24, subdivision 4, may elect to
32 receive family coverage at the expense of the state.

33 Sec. 3. Minnesota Statutes 2004, section 43A.30,
34 subdivision 1, is amended to read:

35 Subdivision 1. [PAYMENTS FROM AGENCY REVENUES.] Each
36 agency shall pay the amounts due for state paid life insurance

1 and hospital, medical and dental benefits coverage authorized
2 for eligible employees pursuant to this chapter.

3 Each agency shall pay the amounts from accounts and funds
4 from which the agency receives its revenues, including
5 appropriations from the general fund and from any other fund,
6 now or hereafter existing for the payment of salaries and in the
7 same proportion as it pays therefrom the amounts of salaries.
8 In order to enable the commissioner of finance to maintain
9 proper records covering the appropriations pursuant to this
10 section, the commissioner of finance may require certifications
11 in connection with payments as the commissioner of finance deems
12 necessary from the Minnesota Historical Society, the University
13 of Minnesota, or any agency whose employees receive benefits
14 pursuant to this chapter. The accounts and funds from which
15 agencies receive appropriations under the terms of this section
16 are a source of revenue for the purposes of any other law or
17 statutory enactment.

18 The Department of Military Affairs is the agency
19 responsible for paying the amounts due for benefits coverage
20 provided to eligible soldiers under section 43A.24, subdivision
21 4. The amount necessary to pay the amount due for eligible
22 soldiers is appropriated to the adjutant general from the
23 general fund.

Consolidated Fiscal Note – 2005-06 Session

Bill #: S0363-0 **Complete Date:** 02/28/05

Chief Author: MURPHY, STEVE

Title: RESERVIST & NATL GUARD;STATE PD INS

Fiscal Impact	Yes	No
State	X	
Local		X
Fee/Departmental Earnings		X
Tax Revenue		X

Agencies: Military Affairs Dept (02/28/05)

Employee Relations (02/28/05)

This table reflects fiscal impact to state government. Local government impact is reflected in the narrative only.

Dollars (in thousands)	FY05	FY06	FY07	FY08	FY09
Net Expenditures					
General Fund		0	0	0	0
Military Affairs Dept		0	0	0	0
State Employees Insurance Fund	0	6,036	12,073	12,073	12,073
Employee Relations	0	6,036	12,073	12,073	12,073
Revenues					
General Fund		0	0	0	0
Military Affairs Dept		0	0	0	0
Net Cost <Savings>					
General Fund		0	0	0	0
Military Affairs Dept		0	0	0	0
State Employees Insurance Fund	0	6,036	12,073	12,073	12,073
Employee Relations	0	6,036	12,073	12,073	12,073
Total Cost <Savings> to the State	0	6,036	12,073	12,073	12,073

	FY05	FY06	FY07	FY08	FY09
Full Time Equivalents					
General Fund		0.00	0.00	0.00	0.00
Military Affairs Dept		0.00	0.00	0.00	0.00
Total FTE					

Consolidated EBO Comments

I have reviewed this Fiscal Note for accuracy and content.

EBO Signature: KRISTI SCHROEDL

Date: 02/28/05 Phone: 215-0595

Fiscal Note – 2005-06 Session

Bill #: S0363-0 Complete Date: 02/28/05

Chief Author: MURPHY, STEVE

Title: RESERVIST & NATL GUARD;STATE PD INS

Fiscal Impact	Yes	No
State		X
Local		X
Fee/Departmental Earnings		X
Tax Revenue		X

Agency Name: Military Affairs Dept

This table reflects fiscal impact to state government. Local government impact is reflected in the narrative only.

Dollars (in thousands)	FY05	FY06	FY07	FY08	FY09
Expenditures					
General Fund		0	0	0	0
Less Agency Can Absorb					
-- No Impact --					
Net Expenditures					
General Fund		0	0	0	0
Revenues					
General Fund		0	0	0	0
Net Cost <Savings>					
General Fund		0	0	0	0
Total Cost <Savings> to the State					

	FY05	FY06	FY07	FY08	FY09
Full Time Equivalent					
General Fund		0.00	0.00	0.00	0.00
Total FTE					

Bill Description

A bill for an act relating to the military; modifying the eligibility for state-paid insurance and benefits by making members of the Minnesota National Guard or other military reserve units called to federal active service and deployed to foreign lands and their families eligible for participation in the health insurance portions of the state employee group insurance program; appropriating money; amending Minnesota Statutes 2004, sections 43A.24, by adding a subdivision; 43A.26; 43A.30, subdivision 1.

Assumptions

Military Affairs only responsibility is to draw money from the general fund and make payment for insurance costs and determine satisfactory service for non-discharged members.

Levels of deployments will remain stable at about 3200 per year for both National Guard and Reserve components.

Average deployments will be about 12 months each.

Department of Employee Relations will administer program.

Expenditure and/or Revenue Formula

Long-Term Fiscal Considerations

Local Government Costs

None

References/Sources

N/A

Agency Contact Name: Terrence Palmer
FN Coord Signature: TERRENCE PALMER
Date: 02/23/05 Phone: 268-8948

EBO Comments

I have reviewed this Fiscal Note for accuracy and content.

EBO Signature: KRISTI SCHROEDL
Date: 02/28/05 Phone: 215-0595

Fiscal Note – 2005-06 Session

Bill #: S0363-0 **Complete Date:** 02/28/05

Chief Author: MURPHY, STEVE

Title: RESERVIST & NATL GUARD;STATE PD INS

Fiscal Impact	Yes	No
State	X	
Local		X
Fee/Departmental Earnings		X
Tax Revenue		X

Agency Name: Employee Relations

This table reflects fiscal impact to state government. Local government impact is reflected in the narrative only.

Dollars (in thousands)	FY05	FY06	FY07	FY08	FY09
Expenditures					
State Employees Insurance Fund	0	6,036	12,073	12,073	12,073
Less Agency Can Absorb					
-- No Impact --					
Net Expenditures					
State Employees Insurance Fund	0	6,036	12,073	12,073	12,073
Revenues					
-- No Impact --					
Net Cost <Savings>					
State Employees Insurance Fund	0	6,036	12,073	12,073	12,073
Total Cost <Savings> to the State	0	6,036	12,073	12,073	12,073

	FY05	FY06	FY07	FY08	FY09
Full Time Equivalents					
-- No Impact --					
Total FTE					

BILL DESCRIPTION:

House File 500 expands state paid health insurance benefits eligibility to members and dependents of the national guard or other active military reserve units called to federal active service and deployed outside the country. The proposed legislation specifies eligibility requirements and provides for surviving spouse or dependent eligibility upon the death of the member. The bill designates the department of military affairs as the agency responsible for paying the amounts due for the coverage.

BACKGROUND:

The proposed legislation would allow certain members of the Minnesota National Guard or other reserve components of the armed forces to participate in the Minnesota Advantage Health Plan. The reserve member would be eligible to participate if the soldier:

- Engaged in a deployment under federal active service for at least 90 consecutive days to a location outside of the United States;
- Is serving satisfactorily as defined by the adjutant general or was honorably discharged following completion of the deployment;
- Submits an application for benefits within eight months of completion of the deployment;
- Certifies that the soldier, or soldier's spouse if applicable, does not have insurance coverage available through the soldier or spouse's employer or will not have coverage available when the state coverage is to begin;
- Was a resident of Minnesota when the deployment began.

The eligible soldier is eligible for one month of coverage for each month of the deployment. If the eligible soldier is killed during the deployment, the member's surviving spouse or dependents are eligible for health and medical benefits to the same extent that the soldier would have been eligible.

The eligible soldier is eligible to receive coverage, whether for the soldier only or family coverage for the soldier, spouse, and dependents, at the premium rate for single coverage of a full-time employee.

The Department of Military Affairs is the agency responsible for paying the amounts due for benefits coverage provided to eligible soldiers through this proposed legislation.

ASSUMPTIONS:

Number of participants: There are 2,000 National Guard currently deployed and an additional 1,200 other reserves deployed. We assumed 50% of the returning soldiers will participate in the health benefits program. We also assumed 60% of those participants will also cover family members.

National Guard deployed	2,000
Other reserves deployed	<u>1,200</u>
Total deployed	3,200
Number of soldiers participating (50%)	1,600
Number of soldiers – single coverage (40% of 1,600)	640
Number of soldiers – family coverage (60% of 1,600)	960

Length of participation: Soldiers earn one month of coverage for each month of deployment. The average length of deployment is twelve months. We assumed an average participation duration of 12 months.

Cost: Expected costs of reservists seeking coverage will be 25% higher than current DOER averages. We assumed that these members would be higher cost due to their inability to obtain other coverage and the impact of services related conditions other than war related injuries. The additional cost was based on current 2005 monthly premiums for the Minnesota Advantage Health Plan.

Premium: DOER premiums will not increase to reflect the anticipated cost of the enrolled reservists. If the State does not raise premiums to pay for the higher than average per member costs of the reservists, the excess costs will need to be absorbed by the State through the use of the medical plan's reserves. We expect this to deplete the medical reserves.

Duration: DOER assumed the current level of deployments to be fairly constant for several years, indicating the costs calculated below are annual costs. DOER assumed full participation levels beginning January 1, 2006.

Uncollected Family Premium: The legislation proposes that “the eligible soldier is eligible to receive coverage, whether for the soldier only or family coverage for the soldier, spouse, and dependents, at the premium rate for single coverage of a full-time employee”. DOER assumes 960 participants to cover family members, but the monthly premium collected would be only \$368.68 per family, rather than \$1,084.16 per family per month. The uncollected premium provides insufficient funding for the claims costs incurred by the covered family members. Those excess claims costs will need to be absorbed by the State, depleting medical reserves.

EXPENDITURE FORMULA:

Calculation of additional health care claims costs:

	Single	Family
Number of Participants	640	960
2005 Monthly Premium – MN Advantage	\$ 368.68	\$1,084.16
Average duration for coverage	12	12
Increased claim costs	25%	25%
Annual Cost	\$707,866	\$3,122,381

Total Annual Claims Cost – Single and Family coverage combined **\$3,830,247**

Calculation of Uncollected Family Premium:

2005 monthly premium – Family coverage	\$1,084.16
2005 monthly premium – Single coverage	\$ 368.68
Portion of Family premium uncollected	\$ 715.48
Multiplied by number of participants with family coverage	x 960
Multiplied by average duration of coverage in months	x 12
Annual Cost of Uncollected Family Premium	\$8,242,330

Summary of Annual Costs per Fiscal Year:

FY06 –	
Annual Claims Cost (\$3,830,247) x 6 months (January-June 2006)	\$1,915,124
Annual Cost of Uncollected Family Premium (\$8,242,330) x 6 months	\$4,121,165
Total FY06 Cost	\$6,036,289

FY07 and subsequent years–

Annual Claims Cost	\$ 3,830,247
Annual Cost of Uncollected Family Premium	\$ 8,242,330
Annual Cost	\$ 12,072,577

Long-Term Fiscal Considerations - Based on the illustration above, SEGIP reserves would be depleted before the end of calendar year 20010, rendering the program insolvent.

Projected SEGIP Medical Reserves, December 31, 2005	\$41,000,000
Less Reserves required in CY 2006	\$12,073,000
Less Reserves required in CY 2007	\$12,073,000
Less Reserves required in CY 2008	\$12,073,000
Less Reserves required in CY 2009	\$12,073,000
Reserves available January 1, 2010	(\$7,292,000)

LOCAL GOVERNMENT COSTS:

Not Applicable

REFERENCES:

- Developed with assistance from Deloitte Consulting, LLP, providing actuarial and consulting services to DOER for the administration of SEGIP benefit plans.

Agency Contact Name: Liz Houlding (651-296-6287)

FN Coord Signature: MIKE HOPWOOD

Date: 02/28/05 Phone: 297-5220

EBO Comments

I have reviewed this Fiscal Note for accuracy and content.

EBO Signature: KRISTI SCHROEDL

Date: 02/28/05 Phone: 215-0595

Senators Metzen, Vickerman and Koering introduced—

S. F. No. 861 Referred to the Committee on Finance

1 A bill for an act
2 relating to the military; appropriating money to
3 assist in the operation and staffing of the Minnesota
4 National Guard Youth Camp at Camp Ripley.
5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:
6 Section 1. [APPROPRIATION.]
7 \$100,000 is appropriated from the general fund to the
8 adjutant general to assist in the operation and staffing of the
9 Minnesota National Guard Youth Camp at Camp Ripley. Of this
10 amount, \$50,000 is for the fiscal year ending June 30, 2006, and
11 \$50,000 is for the fiscal year ending June 30, 2007. This
12 appropriation is contingent on its being matched by money from
13 other sources.

Youth Camp 2005 Budget

Housing	\$15,000
Food	\$16,000
Camp Clothing	\$10,000
Printing	\$5,000
Administration/Insurance	\$10,000
Programming Consumables	\$9,000
Camp Reinvestment	\$5,000

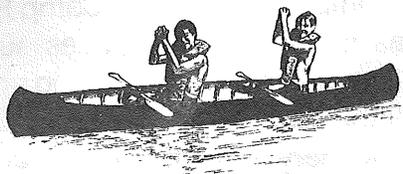
Annual Total: \$70,000

Hiking

Swimming

Biking

Canoeing

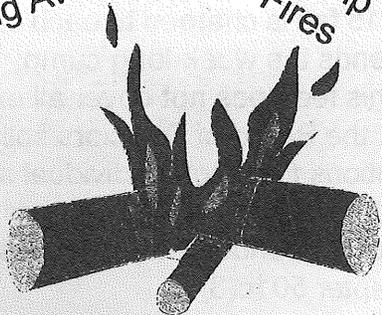


Riflery

Military Museum

Drug Awareness

Camp Fires



Military Day

Archery

Camp Out

Sports

Confidence Course

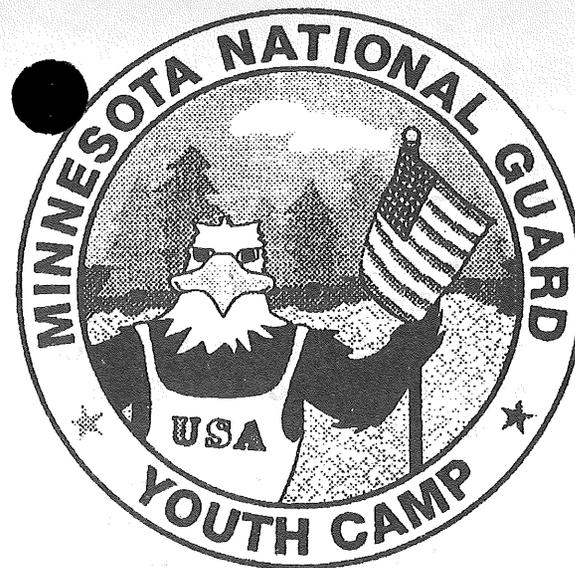
*"Make A
Difference In
A Child's Life!!"*

**MINNESOTA
NATIONAL GUARD
YOUTH CAMP, INC.**

211 North McCarrons Boulevard
Roseville, MN 55113-6998

763-670-1251

www.mn-guard-yc.org



**Minnesota
National Guard
Youth Camps**

*"Make A Difference In
A Child's Life."*

Minnesota National Guard
Youth Camp, INC.
211 North McCarrons Boulevard
Roseville, MN 55113-6998





The Minnesota National Guard will hold it's 15th Annual Youth Camp this summer. The camp is for children between the ages of 10-12 who are immediate family members of active and retired Minnesota National Guard soldiers and airmen. Nieces, nephews and grandchildren of volunteers may also attend the camp. This is the 5th year of our National Guard Teen Camp (ages 13-15).

Active or Retired Guard Members and their Spouses..... are needed to staff the two 7 day Youth and Teen Camps. Approximately 64 volunteers are needed at each camp for various positions such as counselors, activity coordinators, support staff for swimming, canoeing, rifle safety, archery, confidence course, camp-out, sports, supply..... We have a place for you!!

We also need **Junior Counselors (JCs)** (16-17 year olds) to volunteer for the camp.

This year's camps will take place:

31 Jul - 6 Aug Week 1

7 - 13 Aug Week 2

PURPOSE

The purpose of the Minnesota National Guard Youth Camp is to:

- Provide a unique and enjoyable opportunity for dependents of active and retired members of the Minnesota National Guard to explore the environment in which they live;
- Provide a positive experience in a safe and caring environment, and encourage youth to feel good about themselves;
- Become more responsible in maintaining our environment;
- Educate youth on the hazards of substance abuse;
- Assist youth in understanding why their parent(s) or guardian(s) volunteer to serve in the National Guard; and
- Help the children cope with the stress of separation caused by military duty.

OPERATION

The camp, conducted at Camp Ripley, includes many sports activities such as softball, volleyball, soccer, hiking and biking. Informational activities conducted include archery and rifle safety, camping, canoeing, Military History, equipment displays, flag history and etiquette, and a visit to the Minnesota Military Museum. Educational topics explored include drug and alcohol abuse, environmental issues, and child identification files.

A \$115 fee is charged to each child who attends the week-long camp. Because this fee does not cover all expenses, the Board of Directors solicits contributions from both individual and corporate sponsors. Contributions are tax deductible under the provisions of IRS Chapter 501c(3).

The Board of Directors are all volunteers in non-paid positions. Funds received through donations are used to help offset the costs incurred during the camp.

To get more information about the Minnesota National Guard Youth Camp or to get an application, please visit our website.

www.mn-guard-yc.org

Senators Ranum, Vickerman, Betzold, Senjem and Larson introduced--
S.F. No. 1891: Referred to the Committee on Agriculture, Veterans and Gaming.

1 A bill for an act
2 relating to veterans affairs; authorizing the
3 commissioner of veterans affairs to establish a
4 program of outreach to minority veterans;
5 appropriating money; proposing coding for new law in
6 Minnesota Statutes, chapter 197.

7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

8 Section 1. [197.785] [OUTREACH TO UNDERSERVED VETERANS.]

9 The commissioner of veterans affairs must spend the amount
10 appropriated for this purpose to foster and support an
11 initiative of outreach and assistance to underserved veterans,
12 including, but not limited to, veterans of color, female
13 veterans, veterans of limited financial means, and the
14 dependents and eligible survivors of those veterans. The
15 purpose of this initiative is to assist those veterans,
16 dependents, and survivors in identifying and applying for
17 federal and state veterans benefits for which they may be
18 eligible.

19 Sec. 2. [APPROPRIATION.]

20 \$250,000 annually is appropriated from the general fund to
21 the commissioner of veterans affairs for fiscal years 2006 and
22 2007 for the outreach initiative in section 1. The commissioner
23 may employ up to two full-time equivalent outreach coordinators
24 and one administrative assistant to implement section 1.

25 Sec. 3. [EFFECTIVE DATE.]

26 Sections 1 and 2 are effective July 1, 2005.

#2

SF1891

Commander Ronnings Testimony on Outreach to Minority,
Homeless, and Female Veterans

Chair, committee members, it is a pleasure for me to address this committee and bring to light an urgent need within the veteran community. That need is outreach. Outreach to a largely underserved population of minority, female, and homeless veterans.

Many agencies; including the Department of Veterans Affairs, have used the same old methods of outreach which include PSA's, town hall meetings, informational seminars, web sites, and mass mailings for many years and with minimal results. Often, the message gets to the intended audience, but the audience does not then know where to go, who to call, or how to deal with the many layers of bureaucracy. The audience gets frustrated and gives up.

Statistical information provided by the U.S. Department of Veterans Affairs (USDVA) regarding Minnesota's population of nearly 465,000 veteran residents indicates that more than 12% or 55-60,000 veterans in Minnesota comprise our targeted group of female, minority, and homeless veterans. In addition, veterans, particularly Vietnam era veterans, are over-represented among the homeless of our state and nation, comprising roughly 35% of the total adult homeless population.

No amount of seminars, public service announcements, or mailings has made a significant difference in this underserved population. Therefore, the veteran community, and the minority community along with the leadership of the Department of Veterans Affairs (DVA) thought long and hard about how we could change and improve upon the current approach to providing outreach to our targeted veteran population. What we came up with is an innovative initiative that is intended to coordinate a combined, multi-agency effort to locate and assist homeless veterans, minority veterans, and female veterans in their efforts to re-integrate into mainstream society, while also helping them gain access to the many federal benefits, services, and support mechanisms available. These benefits and services include, but are not limited to, monthly monetary benefits for veterans and dependents of deceased veterans, education

benefits for veterans and dependents, and ongoing medical care and treatment to include prescription fills and mental health counseling.

To accomplish this mission would require a minimum of at least three staff people; two veterans outreach coordinators (VOC's) and one office and administrative assistant. The \$250,000 that this legislation would provide covers all salaries, office space and equipment, supplies, phones, and mileage reimbursement. In addition this appropriation also allows for the department to do several large community based outreach and benefits seminars through-out the state to help bring awareness of veterans' entitlements to the veteran community.

The Veterans Outreach Coordinator's would work in cooperation with local County Veterans Service Officers, the USDVA, veterans service organizations, social service agencies, shelters, religious organizations, as well as community leaders and organizers in our efforts to connect with this under-served segment of Minnesota's veteran population. Once connected to a veteran, the VOC becomes their personal representative on all things related to the Veterans Administration. He is their contact person and will see them through **every step**, from the initial application process through the appeal process, if necessary. This approach eliminates any confusion, frustration, or apprehension on the part of the veteran because everything is taken care of for them by a professional (our VOC) who knows and understands the system.

As there are no funds currently available within the DVA budget to fill these needed positions they have temporarily tasked one of their existing claims representatives with this additional VOC responsibility. After only five months:

- The Veterans Outreach Coordinator has already obtained a monthly income from the VA for fifty-five underserved veterans. This ongoing income will total over \$631,440 annually and continue into the foreseeable future.
- In addition there are over 70 outreach claims for monetary benefits currently awaiting adjudication by the USDVA, this may equal or surpass the \$631,000 already obtained.
- Of the 332 veterans visited in the past five months, 58% have been minorities and 9% have been female.

Assisting these veterans to get maximum federal veterans benefits has not only increased the amount of federal veterans benefits dollars received by Minnesota veterans, but has also greatly reduced their dependence on state programs while greatly enhancing the quality of life for many of these veteran families.

It's easy to see that the return on investment for the state is huge, not only in monetary value but in the quality of life for our veteran families.

I often hear representatives of our state and nation speak of how we can never repay the debt we owe our veterans, well maybe we can't, but passing this bill and providing this necessary funding is a step in the right direction.

Therefore on behalf of the CTF and all 465,000 veterans of Minnesota I urge this committee to favorably consider this opportunity to serve our most deserving of citizens, our veterans.

Thank You...