



WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

2003 Senate Bill 170

**Senate Substitute
Amendment 1 (As Amended by
Senate Amendments 1 and 2)**

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Senate Bill 170 modifies a number of statutes that relate to veterans' benefits, including statutes that relate to the purposes of veterans' programs, eligibility, and benefit levels.

SENATE SUBSTITUTE AMENDMENT 1

National Guard Educational Benefits

Under the current law governing the program that provides National Guard educational benefits, a person is eligible for tuition reimbursement for 100% of actual tuition or 100% of the arithmetic average of resident undergraduate tuition charged by the four-year University of Wisconsin (UW) System institutions for comparable credits, whichever is less. (References in this memorandum to "current law" are to the statutes, as affected by 2003 Wisconsin Act 33, the 2003-05 Biennial Budget Act.) Senate Substitute Amendment 1 modifies this to 100% of actual tuition or 100% of the maximum resident undergraduate tuition at UW-Madison for comparable credits, whichever is less.

In addition, the substitute amendment states that a National Guard member is ineligible under this program for a semester in which he or she receives a grant under the veterans' tuition reimbursement program.

References to Iraq War

The substitute amendment modifies the current definition of "war period" to include a reference to the Iraq war, which covers the time between March 19, 2003, and the ending of Operation Iraqi Freedom or a successor operation, as established by the state Department of Veterans Affairs (DVA) by rule. The substitute amendment also changes other statutes to include references to Operation Iraqi Freedom.

Veterans' Tuition Reimbursement

Under current law, in order to be eligible for veterans' tuition reimbursement, a person must have served on active duty (not including active duty for training purposes) under honorable conditions in the U.S. Armed Forces for two continuous years or more or the full period of the initial service obligation, whichever is less. The two-year requirement does not apply under certain circumstances. The substitute amendment repeals the current provision and instead changes references to "individual" in the statute dealing with veterans' tuition reimbursement to "veteran."

Currently, reimbursement is not available under this program if the income of the veteran and his or her spouse (not including Agent Orange litigation payments) exceeds \$47,500 plus \$500 for each dependent in excess of two dependents. The substitute amendment states that no reimbursement is available under this program if the income of the veteran and his or her spouse exceeds \$50,000 plus \$1,000 for each dependent in excess of two dependents.

In addition, the substitute amendment states that reimbursement may be provided at a school other than the one from which the veteran is receiving his or her degree if two conditions are met: (1) the curriculum at the other school consists only of courses necessary to complete a degree in a particular course of study; and (2) the course is accepted as transfer credits at the school from which the veteran is receiving the degree, but is not available at that school.

DVA Headquarters and Museum

The substitute amendment authorizes DVA to acquire by gift, purchase, or condemnation property for the purpose of providing a headquarters and museum for the department. The list of purposes for which the veterans' mortgage loan repayment fund may be used is amended to include payments of obligations arising from this acquisition.

Housing for Homeless Veterans

The substitute amendment authorizes DVA to provide a loan guarantee for multifamily transitional housing for homeless veterans.

Health Care Aid Grants

Under current law, DVA may not give prior authorization for a health care aid grant, but may issue a certificate of entitlement stating that a veteran or dependent is eligible for a grant if the treatment is received within a time period that DVA promulgates by rule. The substitute amendment repeals the current prohibition on prior authorization. The substitute amendment also states that DVA may not grant health care aid to pay for care provided to the veteran or dependent before the time period identified in the certificate of entitlement, except for emergency care as determined by DVA if the application is submitted within 90 days after the emergency care ends.

Veterans' Personal Loans

Under current law, DVA may lend a veteran, a veteran's unremarried spouse, or a deceased veteran's child not more than \$15,000 or a lesser amount established by DVA by rule for specified

purposes. Those purposes are the purchase of a mobile home, business, or business property, the education of the veteran or the veteran's spouse or children, the payment of medical or funeral expenses, payment of delinquent child support or maintenance or past support, medical expenses, or birth expenses, or the consolidation of debt.

The substitute amendment makes the following changes to current law:

- The list of purposes for which DVA may make a personal loan is repealed. [However, a separate statute dealing with loans for the education of a child is retained.]
- The amounts in current law are increased to \$25,000 or a lesser amount established by DVA. Subject to these limits, DVA may periodically adjust the maximum loan amount based on financial market conditions, funds available, needs of the Veterans Trust Fund, or other factors that DVA determines relevant.
- DVA is given authority to periodically adjust the interest rates for loans, which may vary based on the term of the loans, the type of security offered, the method of payment, or other factors that DVA considers relevant.
- A loan of \$5,000 or less to an applicant whose total indebtedness under the program is \$5,000 or less must be evidenced by a promissory note and secured by a guarantor or by a mortgage on real estate in Wisconsin. All other loans under the program must be evidenced by a promissory note and secured by a mortgage on real estate in Wisconsin. A mortgage is acceptable if the applicant has equity in the property equal to or exceeding a minimum amount established by DVA by rule.

Veterans Cemeteries

The current statute dealing with veterans cemeteries defines "veteran" as a person who has served on active duty in the U.S. Armed Forces. The substitute amendment states that the definition does not include persons who served on active duty for training purposes.

Correspondence Courses and Part-Time Study Tuition Reimbursement for Veterans

Currently, reimbursement is not available under this program if the income of the veteran and his or her spouse (not including Agent Orange litigation payments) exceeds \$47,500 plus \$500 for each dependent in excess of two dependents. The substitute amendment states that no reimbursement is available under this program if the income of the veteran and his or her spouse exceeds \$50,000 plus \$1,000 for each dependent in excess of two dependents.

Under current law, the maximum tuition reimbursement available under this program is 100% of actual tuition and fees or 100% of the standard cost for the state resident for tuition and fees for an equivalent course at UW-Madison per course, whichever is less. The substitute amendment modifies this to subtract from the maximum tuition reimbursement any grants or scholarships that the veteran receives specifically for the payment of tuition.

Grants to Counties for County Veterans Service Officers

Current law provides state grants to counties for county veterans service officers (CVSOs), which vary from \$8,500 to \$13,000 per year, depending on the population of the county. However, counties with a part-time CVSO are eligible for an annual grant of up to \$500.

The substitute amendment states that an eligible county with a part-time CVSO may request and receive a grant of \$8,500 to \$13,000, or a grant in excess of \$500, if the county submits a plan for full-time service to veterans in that county that has been adopted by the county by resolution. The Board of Veterans Affairs must review the plan and approve the grant at the requested amount or a lesser amount based on the plan's compliance with criteria established by the board. This provision takes effect on the first day of the seventh month beginning after publication of the Act.

Veterans' Housing Loan Program

The substitute amendment makes the following changes in the Veterans' Housing Loan Program:

- The definition of the term "authorized lender" is expanded to include a servicer of veterans' mortgage loans. In addition, DVA is given authority to enter into contracts with persons other than authorized lenders for the servicing of loans.
- The substitute amendment expands eligibility for the program to include persons who are serving on active duty in the U.S. Armed Forces at the time of making application and who meet other residency requirements.
- Current law provides that applications for purchase, construction, or refinancing loans are made to an authorized lender. Applications for home improvement loans are made to a CVSO. Persons may apply to DVA through a CVSO for certification of eligibility as a veteran. The substitute amendment modifies this so that applications for home improvement loans may be made to either DVA or a CVSO. In addition, under the substitute amendment, applicants apply to DVA or a CVSO for certification of eligibility as a veteran.
- The substitute amendment authorizes DVA to loan money from the Veterans Trust Fund to the veterans mortgage loan repayment fund to fund loans.
- As described earlier in the memorandum, the substitute amendment changes the list of purposes for which the veterans mortgage loan repayment fund may be used to include payment of obligations arising from DVA acquisition of a headquarters and museum.
- The substitute amendment states that any money appropriated or transferred by law from the veterans mortgage loan repayment fund for purposes other than those listed in the statute that sets forth those purposes, and other than moneys made temporarily available to other enumerated funds, must be repaid from the general fund with a 5% annual interest rate.

Fire Fighter at Wisconsin Veterans Home

Current law provides that if a state employee enumerated in the law suffers injury while in the performance of duties, the employee must continue to be fully paid with no reduction in leave or in the rate of earning leave. The enumerated state employees include a fire fighter at the Wisconsin Veterans Home at King. The substitute amendment deletes this reference to the fire fighter at the Wisconsin Veterans Home at King.

SENATE AMENDMENT 1

Senate Amendment 1 deletes from the substitute amendment the changes in the law dealing with state grants for CVSOs.

SENATE AMENDMENT 2

Senate Amendment 2 makes the following changes:

- The amendment modifies the definition of “veteran”, which generally applies throughout the chapter of the statute dealing with veterans, to insert the word “or.” This word was eliminated, apparently inadvertently, by a Revisor’s Revision Bill in the previous legislative session (2001 Wisconsin Act 103).
- The amendment deletes from a statute dealing with veterans’ tuition reimbursement a reference to grants under the statute dealing with National Guard educational benefits since the substitute amendment does not permit persons to receive National Guard educational benefits for a semester in which they receive veterans’ tuition reimbursement.
- The amendment adds the words “and museum” after a reference to the DVA headquarters, for consistency with other provisions in the substitute amendment.

LEGISLATIVE HISTORY

Senate Substitute Amendment 1 was introduced by Senator Ronald Brown and Senate Amendments 1 and 2 to the substitute amendment were introduced by the Joint Committee on Finance.

On October 28, 2003, the Joint Committee on Finance recommended adoption of Senate Amendments 1 and 2 to Senate Substitute Amendment 1, adoption of Senate Substitute Amendment 1, and passage of the bill as amended, all on votes of Ayes, 15; Noes, 0.

On November 4, 2003, the Senate adopted Senate Amendments 1 and 2 to Senate Substitute Amendment 1, and adopted Senate Substitute Amendment 1, all on voice votes. The Senate passed the bill as amended on a vote of Ayes, 32; Noes, 0.

RNS:tlu;ksm