
Detailed Fiscal Analysis

Persian Gulf, Afghanistan, and Iraq Conflicts Compensation Program

The bill authorizes the Department of Veterans Services (DVS) to administer a program that provides compensation to veterans of Persian Gulf, Afghanistan, and Iraq conflicts. The bill specifies eligibility requirements for the program. Applications for payments for Persian Gulf service are to be made not later than December 31, 2010. Applications for payments for Afghanistan and Iraq service are to be made not later than three years after the date determined as the end of involvement.

Payments

An eligible person is entitled to receive \$50 for each month of active domestic or foreign service and \$100 for each month of Persian Gulf, Afghanistan, or Iraq services during compensable periods. A person medically discharged or medically retired due to combat-related disabilities sustained during the compensable service may apply to receive compensation of \$1,000. The maximum amount payable to a person in active domestic or foreign service is \$500 and the maximum amount payable for service in the Persian Gulf, Afghanistan, or Iraq is \$1,000. The surviving spouse, surviving children, or surviving are entitled to the same amount of compensation. However, if the United States Department of Veterans Affairs determines that the person's death was the result of injuries or illness sustained in the Persian Gulf, Afghanistan, or Iraq service, the person's survivors are entitled to a survivor's payment of \$5,000. Additionally, if the United States Department of Defense designates a person as missing in action (MIA) as a result of honorable service or held in enemy captivity, the spouse, child, or parent is entitled to a payment of \$5,000. This payment replaces any other cash benefit payable under the bill. A payment to a surviving spouse, child, or parent does not prevent the missing or captive person, upon his or her release, from claiming and receiving a bonus of an equal amount.

Director of Veterans Services duties

The Director of Veterans Services is given complete charge in making compensation payments. Additionally, the Director is to adopt necessary rules for the program. Legal counsel and employees are to be selected as necessary. After all valid claims have been made within the appropriate time frames, the Director must make a final report to the General Assembly.

Persian Gulf, Afghanistan, and Iraq Conflicts Compensation Fund

The bill creates the Persian Gulf, Afghanistan, and Iraq Conflicts Compensation Fund (Fund 5FS0) in the state treasury. The fund is to be used to pay for the Persian Gulf, Afghanistan, and Iraq Conflicts Compensation Program. The Director of Budget and Management is to transfer \$150 million in fiscal year 2009 from the Budget Stabilization Fund (BSF) to Fund 5FS0 within 15 days after the effective date of the bill. If this funding is inadequate, the Director of Veterans Services may request additional funds of up to \$50 million from the BSF. Investment earnings of Fund 5FS0 are to be credited to the fund. After all valid claims have been paid within the time limitations specified, any remaining funds are to be transferred back to the BSF.

Fiscal impact

The bill provides up to \$200 million for the Persian Gulf, Afghanistan, and Iraq Conflicts Compensation Program. Of this amount, \$150 million is to be transferred from the BSF in FY 2009. An additional \$50 million is available if necessary for compensation payments. At the end of FY 2008, the BSF had a balance of \$1.01 billion. The Persian Gulf, Afghanistan, and Iraq Conflicts Compensation Fund would receive any investment earnings as well. On the other hand, the BSF would lose investment earnings on the transferred amounts.

The DVS will experience an increase in costs for rule promulgation and for administration of the Persian Gulf, Afghanistan, and Iraq Conflicts Compensation Program. It is assumed that DVS would use funds in the Persian Gulf, Afghanistan, and Iraq Conflicts Compensation Fund to pay for these costs.

LSC contacted the United States Department of Defense (DoD) for activity duty statistics for the Persian Gulf, Afghanistan and Iraq conflicts. The data is not available at this time. However, casualty data was accessible on the DoD's web site. As of November 29, 2008, 14 Ohioans have been killed in Operation Enduring Freedom and 130 Ohioans have been killed in Operation Iraqi Freedom. Total United States' deaths for the Persian Gulf War were 1,947 (this includes theater and nontheater deaths). The total number of Ohioans killed in the Persian Gulf War was not specified.

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