

# Designing a Bonus Program for Minnesota's Global War on Terrorism (GWOT) Veterans

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Five earlier bonus programs were created for Minnesota's World War I, World War II, Korean War, Vietnam War, and Persian Gulf War era veterans.

- In each of the five major wars noted above, recognition has primarily been in the form of a monetary bonus to qualifying individuals.
- Generally, the programs paid from a few to several hundred dollars to each qualifying veteran.
- Those who served in the designated war theater received roughly twice the amount as veterans who served outside that area (including those whose service was wholly stateside), with larger amounts going to the surviving spouse or beneficiaries.

## Creation and Timing of the Bonus Program

If the 2005 legislature chooses to enact enabling legislation for a bonus program for GWOT veterans, the timing of the payments to individual veterans would depend primarily on the funding alternative used for the program; i.e., direct appropriation versus bonding.

- If the legislature chooses to finance a veterans' bonus program through an appropriation from the general fund, there would be no need for a constitutional amendment, since it already has the constitutional authority for such spending.
- Advantage of funding the program through a direct appropriation is it would be quicker.
- If financed through bonding then payment of the bonuses would need to be delayed until the Department of Finance is able to prepare for and execute the bond sale, perhaps adding several months to the process.
- One advantage of relying on bonding to finance a veterans' bonus program is that the state financial burden is spread out over a period of years, rather than falling into a single biennial budget period.

## Persian Gulf War Bonus

The November 1996 general election - Minnesotans approved a constitutional amendment by a margin of 64 percent to 36 percent, permitting the state to authorize the issuance of state bonds for the purpose of providing a bonus to Persian Gulf veterans.

The number of veterans who received the Persian Gulf War bonus and the amounts paid are as follows:

- 11,409 Mn veterans received the \$300 amount for their service in support of combat operations
- 6,999 Mn veterans received the \$600 amount for actually deploying to designated combat areas
- 5 surviving spouse/beneficiaries received \$2,000
- 18,413 Persian Gulf War Bonus's were paid in a total amount of \$7,632,300

## Eligibility for the Bonus Program

The number of Minnesotans who would be eligible for the Global War on Terrorism veterans' bonus program depends on the eligibility criteria that will be specified in the enabling legislation.

- The MDVA is proposing that only those who have been awarded the Global War on Terrorism (GWOT) Expeditionary Medal or Global War on Terrorism (GWOT) Service Medal be eligible.
- The expeditionary medal is for those who deploy to designated combat areas, and the service medal is for those who serve in support of operations to combat terrorism.

Unfortunately the Department of Defense (DOD) does not have a very accurate method of tracking or counting when or where military members from a specific state were serving. Therefore the following numbers obtained from (DOD) are quite tentative and should be regarded as merely ballpark figures.

As there is no end date in sight for the GWOT, the underlying calculations assume that the eligibility period would be from September 11, 2001 to present. These estimates are very rough, being based on nationwide active duty totals and assuming that Minnesotans comprise two percent of the nation's military forces.

- 6,000 Rough estimate of the number of Minnesota veterans who served within the war theater during the above-designated period of combat, thus entitling them to the GWOT Expeditionary Medal. If the Global War on Terrorism veterans bonus is structured similar to the earlier veterans' bonus programs, these veterans would qualify for a higher bonus amount than the following group.
- 13,000 Rough estimate of the number of Minnesota veterans who served during the period of the Global War on Terrorism exclusively outside of the war theater (including those who served wholly stateside) thus entitling them to the GWOT Service Medal. Based on earlier bonus programs, this group of veterans would be awarded a lower bonus amount.
- 7,000 Rough estimate of the total number of Minnesota National Guard members and Minnesota members of the Army and Air Force Reserves who were activated for the GWOT (assuming half in each of the above service categories).
- 26,000 A rough estimate of the total number of Minnesotans who served in active military duty during any part of the period of September 11, 2001 to present and who might be defined as eligible for a Global War on Terrorism bonus.

## Cost of the Bonus Program

The ultimate cost of a Global War on Terrorism veterans' bonus program would depend on the amount(s) of the bonus awarded to qualifying veterans and on the number of veterans who are defined as eligible for the bonus—determinations that can be made only in the enabling legislation. However, the preceding assumptions regarding participation and eligibility have lead to an estimated program cost of roughly \$11 million if the bonus amounts are the same as those used in the Persian Gulf War veterans bonus program.

Please keep in mind that the numbers provided regarding prospective eligibles and the estimated cost of a bonus program are based on an eligibility time frame of September 11, 2001 to the present. As the potential is good that the GWOT will continue for many years, the number of those eligible will continue to rise, as will the overall cost of the program.