



OFFICE OF RESEARCH AND EDUCATION ACCOUNTABILITY

STATE BENEFITS FOR VETERANS IN TENNESSEE



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Table of Contents

3 Introduction

3 Numbers of veterans in Tennessee

4 Types of benefits and services

4 Primary benefits and services

4 Department of Veterans Services

4 Assistance in accessing veteran benefits

6 Veterans cemeteries

7 Total department state funding

8 State-run homes for veterans

10 Homebuying assistance

11 Property tax relief

13 Treatment courts for veterans

15 College scholarships

16 Programs for veterans at higher education institutions

17 Service Credit for the Tennessee Consolidated Retirement System

18 License plates and decals for veterans

19 Specialty plates

20 Handgun permit fee discounts

21 Hunting and fishing license discounts

22 Discounted camping rates

23 Free day at state parks (Veterans Day)

23 Veterans preference programs

23 State employee hiring preference

24 Governor's Office of Diversity Business Enterprise (GoDBE)

24 Early college class registration

25 VETS campus certification

25 Preference for programs serving children

25 Licensed childcare providers

25 Tennessee's Voluntary Pre-kindergarten program

26 Other benefits and protections

26 Correctional housing units for veterans

26 Tuition benefits

26 Tuition and fee waivers for dependents of veterans

27 Out-of-state tuition exemption

28 Exemption from certain HOPE scholarship requirements

28 Other education benefits

28 Higher education course credit equivalencies

28 Deferral of tuition and fee payments

29 High school diplomas for wartime veterans

29 Job-related benefits

29 Commercial driver license exemption

29 School bus endorsement

29 Attendance at Tennessee Law Enforcement Training Academy

29 Promotion of farmers who are veterans

30 Tax exemptions

30 State business tax exemption

30 Veterans Affairs automobile grant

31 Health and cultural benefits

31 Free health clinics for veterans

31 Community mental health grants

- 31 Free death certificates
- 31 State Museum discounts
- 31 Veteran recognition
- 31 Veteran designation on driver licenses
- 32 Safe-keeping abandoned Tennessee veteran medals
- 32 Designation of Blue Star Memorial Highways
- 32 Veteran protections
- 32 Criminal impersonation
- 33 Deceptive advertising
- 33 Non-citizen veterans as police officers
- 33 Candidate qualifying exemption
- 34 Redaction of social security numbers from official records
- 34 Nonrecurring state funding

34 Non-state benefits and services for veterans

- 34 Federal level
- 35 Local level

36 Conclusions

37 Endnotes

40 Appendices

- 40 Appendix A: Summary of state costs
- 42 Appendix B: Summary of other states' benefits

Introduction

Tennessee, like all states and the federal government, provides benefits and services for military veterans. Legislative interest in veterans benefits and services operated and funded by Tennessee state agencies prompted the research for this report. This report includes benefits and services that are directly funded with state tax dollars, and those that have a state fiscal impact by discounting or exempting required fees, which results in forgone (uncollected) state revenues.^A Other state benefits include state-authorized preference programs and protections for veterans that do not have identifiable costs.

This report does not include profiles of federal government, local government, or private, nonprofit agency programs that provide or fund benefits for veterans although some examples of these programs are included at the end of the report. Certain activities related solely to recognition of veterans – such as the federal and state designation of the Veterans Day holiday or various entities that operate veteran museums – were not included as veterans benefits for the purpose of this report.

The state's veterans benefits and services detailed in this report include those offered to veterans themselves, and those offered to spouses and dependent children of veterans. For this report, veterans are defined as former members of the U.S. Military who have been discharged from service. Benefits and services for active-duty military, including those currently serving in the reserves and the National Guard, are not included, other than in instances where the same services offered to veterans are extended to active-duty military as well.^B Examples of benefits specific to active-duty personnel include a tuition reimbursement program for National Guardsmen and in-service training requirements or deadlines that are waived for those deployed. Many state services and programs are available to all Tennessee citizens, including veterans, with the needs the programs are designed to address, ranging from starting a small business to homelessness. The focus of this report is on services specifically designed for veterans or adjusted for veterans, such as offering special discounts.

Some benefits are offered to a subset of veterans, such as those who served in combat or those who are partially or wholly disabled from service-related causes. Eligibility criteria are included with each benefit or program description in the report.

Research for this report included a scan of state law and national and state listings for veterans benefits and services offered through state agencies. OREA also contacted all major state departments and agencies to confirm whether they offer any benefits or services specifically for veterans. Data on benefit costs and veterans served were collected from the departments and agencies for at least two fiscal years. Interviews were conducted with some state agency officials to gain a deeper understanding of program operations and funding. National reports and benefit listings were reviewed to collect information about what types of veterans benefits and services are offered by other states. Some benefits for veterans are offered to other defined groups as well. Where applicable, basic cost and recipient data were included as points of comparison for the veterans benefits.

Numbers of veterans in Tennessee

In 2019, the U.S. Department of Veterans Affairs (Veterans Affairs or VA) estimated a population of 460,692 veterans in Tennessee. This estimate represents a decline of not quite 9 percent from the 2015 estimate of 503,675 veterans.¹ The veteran population is projected to continue to decrease at both the state and national levels. Estimates of Tennessee's veteran population by 2030 place it at just under 400,000.²

^A Estimates of forgone revenue are based on an assumption that the same service or benefit levels would occur without waived or discounted fees. It is possible, however, that fewer veterans would avail themselves of some services if the full prices were charged. If service or benefit levels were reduced, forgone revenue estimates would thus be lower.

^B Although not on full-time active duty, personnel in Tennessee's Army National Guard and Air National Guard, as well as those assigned to Armed Forces Reserve units in Tennessee, can be deployed when the need arises. In some cases, individuals may be both a veteran (having formerly served in the armed forces) and on active duty, if they have volunteered with the National Guard, for example, and been deployed.

Another source, the Tennessee State Data Center, reports that the veteran population in Tennessee totaled about 435,000, based on 2018 census data, which was about 8.5 percent of the state's population at that time.³ Nationally, veterans average about 6.6 percent of state populations.⁴ Among Tennessee's veterans, about one-fourth served in peacetime only. Of veterans who served during conflicts, the largest share, about 38 percent, served during the Vietnam War, followed by smaller shares who served in the two Gulf Wars, the Korean War, and World War II.

The most recent data indicates that about 7,200 businesses in Tennessee, or almost 8 percent, are veteran-owned, employing at least 106,000 people statewide.⁵ An additional 2,900 firms were owned in equal shares by veterans and nonveterans.

Among Tennessee's veterans, approximately 32 percent have a reported disability. This compares to about 18 percent of nonveterans with a reported disability.⁶

Types of benefits and services

A 2019 report found that the greatest number of veterans benefits offered by states were in the categories of education and employment. All 50 states offered at least one type of benefit in education, employment, housing, recreation, and tax exemptions.⁷ For the purposes of this report, Tennessee's primary benefits and services in all these areas are summarized first, followed by a section on preference programs, and a section on other benefits and protections. Primary benefits are larger programs and/or those for which specific costs could be identified. Preference programs are benefits or services offered to veterans and nonveterans alike, but for which veterans are given a priority in service delivery or ratings. Other benefits are typically smaller programs and/or those for which there are no specific costs to the state, or the costs could not be identified, as well as protections that the state has enacted for veterans.

Primary benefits and services

State agencies that focus solely on the needs of veterans and their families are profiled in this section. Benefits and services administered through larger state programs and for which costs could be identified are also described in this section, although some do not use state appropriations.

Department of Veterans Services

In fiscal year 2019-20, the Tennessee Department of Veterans Services (TDVS) had expenditures of about \$6.2 million in state funding, about 80 percent of its total budget, and operated with 110 full-time staff.

Created in 1945, the department was established specifically to serve veterans and their families; thus, all the department's activities can be considered as veterans benefits or services. The department serves veterans in two main ways: assisting veterans in finding and accessing the benefits and services they are eligible for and operating and maintaining state veterans cemeteries.

Assistance in accessing veterans benefits

In fiscal year 2019-20, the department filed 4,305 benefit claims and represented veterans in 531 benefit hearings and conferences. State funding for the department's 10 field service offices and its benefit appeals division totaled approximately \$2.05 million in fiscal year 2019-20.

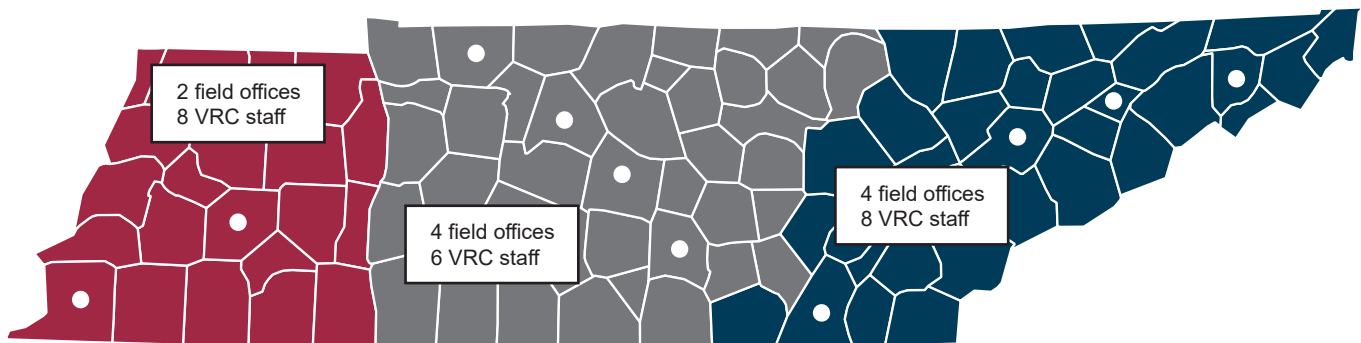
Eligibility: All veterans who are residents of Tennessee are eligible for advocacy services from the state's Department of Veterans Services.

The department is charged by state law:

- to collect and provide information about facilities, services, rights, and benefits available to veterans and their families; and
- to assist veterans and their families with establishing claims for federal, state, and local benefits and to help secure such benefits.⁸

The department is required to establish branch (or field) offices within each congressional district across the state. As of August 2020, the department operated 10 field offices, located within federally-run VA hospitals or other locations. Field office staff, known as veterans resource coordinators (VRCs), help veterans file claims for the federal benefits they have earned, and intercede on behalf of the veteran with the U.S. Department of Veterans Affairs under a limited power of attorney.

Exhibit 1: TDVS field offices as of August 2020



The 10 field offices as of August 2020 are in Coffee, Davidson, Hamblen, Hamilton, Knox, Madison, Montgomery, Rutherford, Shelby, and Washington counties. The offices in Coffee and Hamblen counties were opened in 2020. A new office in Hardeman County is in the planning stages.

The number of claims filed by staff in state field offices totaled 5,200 in fiscal year 2018, 5,286 in fiscal year 2019, and 4,305 in fiscal year 2020.⁹ The department indicated that the reduction in veterans' requests for claims-filing assistance in 2020 was due to VA Medical Centers (where a number of the department's field offices are colocated) being closed to non-patients due to COVID-19. A majority of claims filed in the past have come through in-person contacts at the medical center offices.

The total number of veterans served through the field offices also include those requesting information, seeking referrals to other agencies, or needing other assistance unrelated to claims. While there is not an unduplicated count of total veterans served, the department considers the number of claims filed as a good proxy measure of field office activities.

The department's appeals division represents veterans in various levels of the federal benefit appeals process. In fiscal year 2020, staff provided oral representation at 366 Board of Veterans' Appeals, 114 regional office or Pension Management Center hearings, and 51 informal conferences.¹⁰

In addition to the state-funded veterans resource coordinators working in the department's field offices, at least 87 of Tennessee's 95 counties have appointed at least one part-time or full-time County Veteran Services Officer (CVSO), a position authorized in state law. These county officers, like their state counterparts, can assist veterans with documenting and filing benefit claims. (See more about CVSOs under *Non-state benefits and services for veterans – Local level.*)

Exhibit 2: TDVS field offices and appeals division – state expenditures | Fiscal years 2018, 2019, and 2020

| | 2017-18 | 2018-19 | 2019-20 |
|------------------------------|-------------|-------------|-------------|
| Field offices | | | |
| Operations (overhead)* | \$183,149 | \$195,425 | \$219,489 |
| Personnel | \$970,050 | \$1,018,421 | \$1,157,173 |
| Total – field offices | \$1,153,199 | \$1,213,846 | \$1,376,662 |
| | | | |
| Appeals division | | | |
| Personnel & operations | \$427,029 | \$472,328 | \$668,699 |
| | | | |
| Total | \$1,580,228 | \$1,686,174 | \$2,045,361 |

Note: * Office overhead costs are kept lower than might be expected because the federal government does not charge TDVS rent for its field offices that are located within federal facilities.

Source: Tennessee Department of Veterans Services.

State comparison: At least 20 other states have similar state veteran claims assistance services.

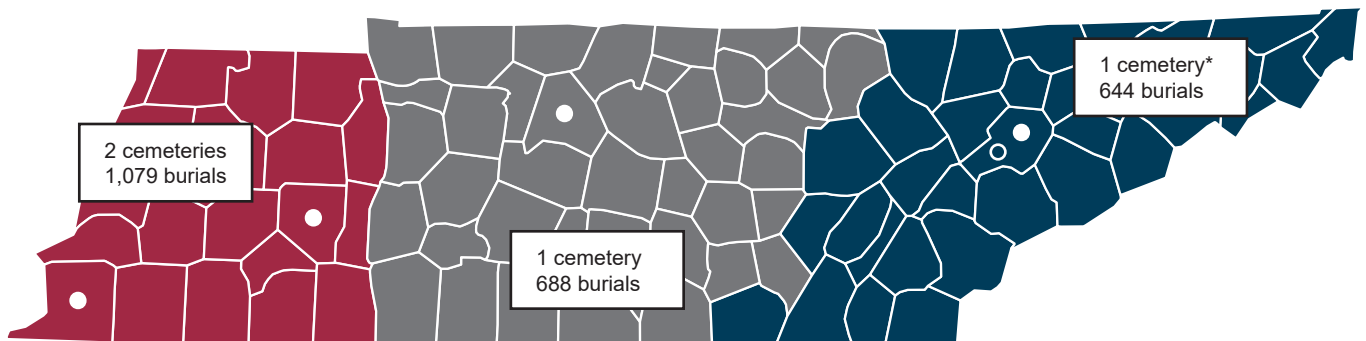
Veterans cemeteries

In fiscal year 2019-20, 2,411 veterans or family members were buried in one of the state’s veterans cemeteries, which are operated and maintained at a state cost of about \$1.8 million.

Eligibility: Any member of the Armed Forces who died on active duty; prior active-duty veterans who were released or discharged under conditions other than dishonorable; and Reserve and National Guard members who meet specified criteria.

The Department of Veterans Services operates and maintains five state cemeteries, providing burials (including placements in “columbaria,” which are structures with special spaces for holding cremation urns) at no cost to veterans. The federal Veterans Administration reimburses the state for the cost of veteran interments, but those of spouses and dependents are not federally reimbursed.

Exhibit 3: State veterans cemeteries | Numbers of burials, fiscal year 2019-20



Notes: The five cemeteries are located in Memphis (Shelby County), Parkers Crossroads (Henderson County), Nashville (Davidson County), and Knoxville (Knox County) at Lyons View Pike and at John Sevier Highway.

*The Lyons View cemetery is closed to new interments, but staff are still necessary to assist visitors in finding graves and to maintain the grounds. Fundraising for land acquisition is underway for a new cemetery in the Upper Cumberland region.

Source: Tennessee Department of Veterans Services.

In recent years, the General Assembly has reduced the cost for veterans’ spouses to be buried with them, from \$700 to \$610 in 2016, to \$300 in 2018, and to a charge of zero beginning in 2019.¹¹ Eligible dependent

children of veterans may also be buried in the state veterans cemeteries at no charge.^c The decrease in revenues from the elimination of burial charges for spouses has been offset with an increase in state appropriations.

The U.S. Department of Veterans Affairs funds the construction and expansion of state veterans cemeteries through grants once the state has purchased the land. In 2018-19, the state appropriated \$600,000 in capital funding for the purchase of land for a new veterans cemetery in the Upper Cumberland region, which is not federally reimbursable. In 2019-20, the state appropriated \$775,000 for the architectural and planning costs of the Upper Cumberland Cemetery, a 10 percent state match for the \$7.75 million in federal funds for those costs. The state match funds are reimbursable by the VA. Federal funds and state appropriations cover the department's costs for cemetery maintenance.

Exhibit 4: State veterans cemetery services | Fiscal years 2018, 2019, and 2020

| | 2017-18 | 2018-19 | 2019-20 |
|----------------------------------|---------|---------|---------|
| Burial pre-registrations* | 3,607 | 3,212 | 2,427 |
| Burials | 2,247 | 2,479 | 2,411 |

Note: *TDVS indicates that COVID-19 led to a decrease in pre-registrations. Because pre-registration is typically explained in face-to-face meetings between veteran service officers and veterans, and such meetings were significantly curtailed by the pandemic, the number of pre-registrations dropped.
Source: Tennessee Department of Veterans Services.

Exhibit 5: State veterans cemeteries expenditures and revenues (not including federal capital funds) | Fiscal years 2018, 2019, 2020

| | 2017-18 | 2018-19 | 2019-20 |
|-----------------------------|--------------------|--------------------|--------------------|
| Expenditures | | | |
| West | \$1,371,821 | \$1,514,689 | \$1,620,499 |
| Middle | \$1,028,367 | \$948,629 | \$767,612 |
| East | \$818,510 | \$903,243 | \$810,975 |
| Total | \$3,218,698 | \$3,366,561 | \$3,199,086 |
| Revenues | | | |
| State appropriations | \$1,584,500 | \$1,605,700 | \$1,807,280 |
| Other revenue* | \$373,600 | \$448,884 | \$(9,679) |
| Federal non-capital revenue | \$1,205,475 | \$1,325,547 | \$1,333,834 |
| Total | \$3,163,575 | \$3,380,131 | \$3,131,435 |

Notes: Federal revenues from capital project grants are not included. Other revenue includes current services revenue from fees and interdepartmental and non-governmental revenue.

*The negative dollar amount in other revenue for 2019-20 reflects net other revenues after refunds of burial fees for veteran dependents as a result of Public Chapter 513 (2019) eliminating such fees.

Sources: Tennessee Department of Veterans Services; Tennessee Budget 2019-20 and 2020-21.

Total department state funding

In addition to its field office and cemetery operations, TDVS also provides education and training for its field office staff and for county veteran services officers to meet federal and state accreditation requirements for anyone assisting veterans with benefit claims. As a state cabinet-level department, TDVS has central office administration expenditures as well. While the state veterans cemeteries receive federal funds for burials of veterans and for capital expenditures, all other department operations are state-funded. Fees collected in the past for burials of veterans' spouses and dependent children have been gradually reduced by the General Assembly's legislation and, as of 2019 legislation, are eliminated.

^c Because burials of dependent children are so few in number, averaging less than one per year, TDVS determined it was not cost-effective to track and collect fees. Those burials were conducted free of charge.

Exhibit 6: Total Department of Veterans Services expenditures | Fiscal years 2018, 2019, and 2020

| | 2017-18 Actual expenditures | 2018-19 Actual expenditures | 2019-20 Actual expenditures |
|-----------------------------|--------------------------------|--------------------------------|--------------------------------|
| State | \$ 5,538,600 | \$ 5,902,200 | \$6,194,726 |
| Federal | \$ 8,442,500 | \$ 4,175,900 | \$1,624,542 |
| Other | \$ 373,600 | \$ 448,900 | \$ (9,679) |
| Total – all programs | \$14,354,700 | \$10,527,000 | \$7,809,589 |

Sources: Tennessee Budget, 2019-20 and 2020-21; Tennessee Department of Veterans Services.

State comparison: Every state has a state agency for veteran services. In 40 states (including Tennessee), there is a department that handles veteran services, sometimes in combination with military affairs. In the remaining 10 states, veteran services are assigned to a commission or office.

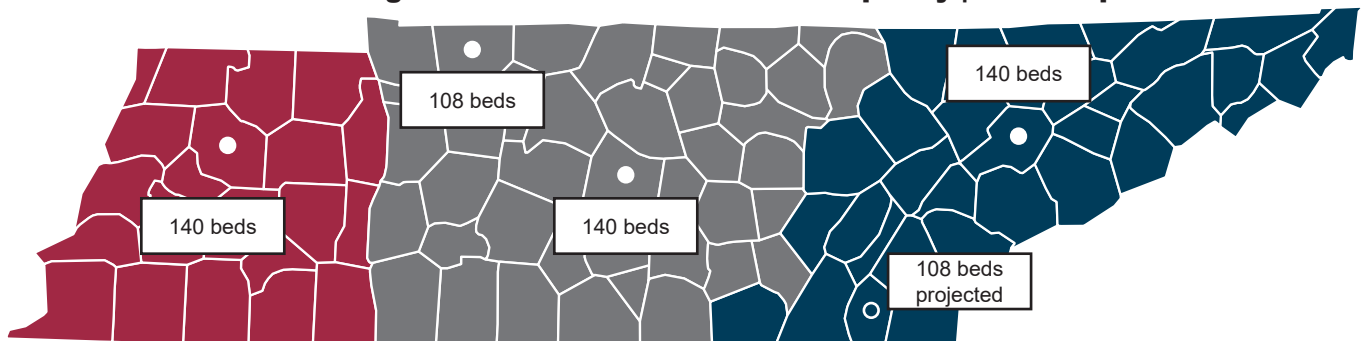
State-run homes for veterans

In fiscal year 2019-20, four state-run nursing homes provided short- or long-term care exclusively for 889 veterans, their spouses, or eligible Gold Star parents. State funds are not used for program operations but are appropriated for capital costs related to construction of new homes.

Eligibility: Honorably discharged veterans, who meet one of the state residency criteria, and spouses and Gold Star parents (parents of armed forces members who died in battle) if space is available.

Tennessee’s four nursing homes for veterans are operated by the 13-member State Veterans’ Homes Board: 11 members are appointed by the Governor; the Commissioners of the Department of Finance and Administration and the Department of Veterans Services serve as ex-officio voting members of the board. Established in law by the General Assembly in 1988, the board operates homes in Clarksville, Humboldt, Knoxville, and Murfreesboro, with a new home under construction in Cleveland and another planned for Arlington. The four existing homes are skilled nursing facilities, with a total of 528 beds, that provide primarily long-term care to residents but can also provide short-term rehabilitation.

Exhibit 7: State-run nursing homes for veterans and bed capacity | As of September 2020



Note: State-run homes for veterans operate in Humboldt (Gibson County), Clarksville (Montgomery County), Murfreesboro (Rutherford County), and Knoxville (Knox County). A new home is under construction in Cleveland (Bradley County).

Exhibit 8: Numbers of veterans and approved relatives served by homes for veterans | Fiscal years 2018, 2019, and 2020

| Veterans Home | Number of veterans plus their eligible spouses and Gold Star parents served | | | June 2020 |
|---------------|---|---------|---------|----------------|
| | 2017-18 | 2018-19 | 2019-20 | Occupancy rate |
| Humboldt | 271 | 242 | 215 | 79.3% |
| Clarksville | 252 | 266 | 210 | 82.4% |
| Murfreesboro | 270 | 251 | 223 | 75.7% |
| Knoxville | 268 | 288 | 241 | 81.4% |
| Total | 1,061 | 1,047 | 889 | |

Source: Tennessee State Veterans' Home Board.

The State Veterans' Homes Board is a *component unit* of state government, meaning it is a separate legal entity from the state, but the board is composed of state officials and gubernatorial appointees and its budget must be approved by the state. The board's funding is administered through a *proprietary fund*, which means it operates similarly to private sector organizations, rather than traditional government agencies.^D The board operates the veterans' homes without regular state appropriations, although state funds are appropriated on occasion for new home construction. The revenues for operating the state veterans homes come from federal sources, including the Veterans Benefits Administration, Medicaid, and Medicare; and from fees charged to residents, which are paid through residents' private insurance or other personal sources. In fiscal year 2019-20, the State Veterans' Homes Board had total revenues of \$62.1 million and total expenses of \$60.2 million.¹²

The U.S. Department of Veterans Affairs provides the major portion of funding through reimbursement grants to build veterans nursing homes, but state and local sources must raise 35 percent in matching funds to qualify for the federal funds. The State Funding Board must approve any bonds issued by the Veterans' Homes Board, and the State Building Commission approves federal construction grants.

The newest home, in Cleveland, received a \$30.5 million construction grant from Veterans Affairs toward the total budgeted cost of \$47.7 million. State matching funds included \$7 million in state appropriations (FY 2015 and FY 2019 appropriation acts) and \$3.1 million in a 2014 state bond issue, as well as \$25,000 from the State Veterans' Home Board. Other matching funds included \$4 million from Bradley County and the City of Cleveland and \$3 million in an anonymous private donation made to the state.¹³ As of October 2020, no opening date had been set for the new home.

Another new facility, planned for Arlington, has completed its design phase and is awaiting the award of federal grant funding before construction begins. In 2016, nearly 29 acres in Arlington were transferred from the Department of Intellectual and Developmental Disabilities to the Department of Veterans Services, with an interdepartmental payment of \$380,000, for the purpose of establishing a second veterans home in West Tennessee, subject to the availability of Veterans Affairs construction grant funds.¹⁴ The state matching funds for the budgeted \$54.8 million Arlington facility include \$18.2 million in cash and bond appropriations.^E Additional matching funds included \$2 million from Shelby County, \$200,000 from the Town of Arlington, and \$780,000 from private donations.¹⁵

The State Veterans' Homes Board attributes the decline in the numbers of veterans served in its facilities to changes in the nursing home industry and trends such as the increase in home health services. In response,

^D Other examples of Tennessee proprietary funds agencies include the Tennessee Housing Development Agency and the Tennessee Education Lottery.

^E In fiscal years 2014 and 2015, state funds totaling \$650,000 were appropriated for planning steps of the West Tennessee veterans home project. Approximately \$409,000 was used for site planning and other preparatory expenditures. The remaining \$241,000 was used toward the required matching funds. In the 2017 legislative session, another \$18 million was appropriated as nonrecurring capital funding. In the 2020 appropriations act, the earlier \$18 million in cash appropriations was converted to a bond appropriation.

the board has reduced the number of beds planned at the new facilities in Cleveland (from 140 to 108) and Arlington (from 144 to 126).

State comparison: All 50 states have homes for veterans, but they operate under a variety of models, with varying degrees of state involvement.

Homebuying assistance

In fiscal year 2019-20, 139 home loans were provided through a Tennessee Housing Development Agency (THDA) program that offers a special benefit to qualified military and veteran homebuyers. The program is not funded with state tax dollars; funding comes from state-authorized mortgage revenue bonds and interest payments on loans.

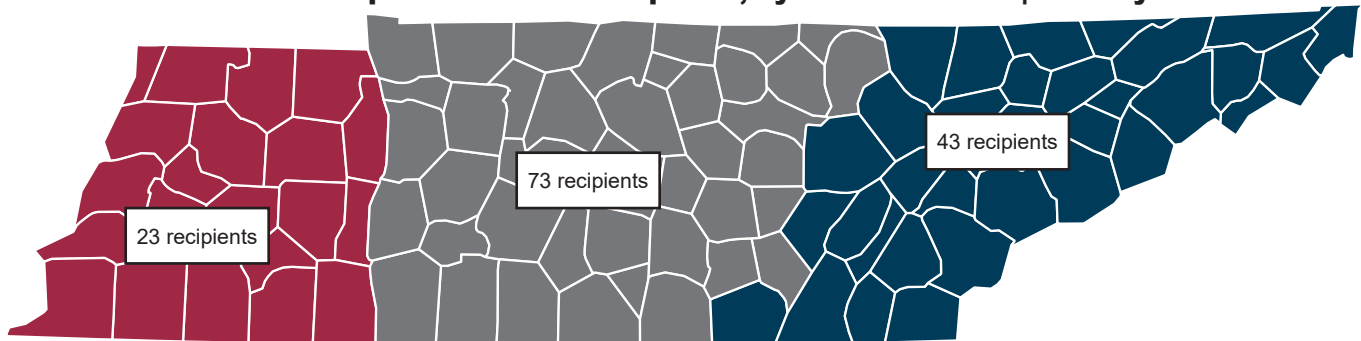
Eligibility: The Homeownership of the Brave program is available to those on active duty, reservists, veterans (unless dishonorably discharged), and spouses of qualified service members.

Homeownership for the Brave is a type of THDA loan designed specifically for qualified veterans and their spouses, as well as other military members. As part of the Great Choice Home Loan program – created by THDA for low- and moderate-income first-time homebuyers purchasing modest homes – Homeownership for the Brave loans are originated through THDA-approved, private mortgage lenders and are typically federally-insured by agencies such as the Federal Housing Administration (FHA), Veterans Affairs, or the U.S. Department of Agriculture-Rural Development (USDA-RD). THDA underwrites the loan applications by the private lenders and typically commits to purchasing the preapproved loans.

Homeownership for the Brave loan applicants are required to participate in a THDA-approved homebuyer education course. For qualified military and veteran homebuyers, the loan program offers an additional half percentage point reduction of interest rates from the Great Choice Home Loan rates.

Like other Great Choice loans, the Homeownership for the Brave program includes the option for homebuyers to receive financial assistance for down payment and/or closing costs in the form of a second mortgage; most homebuyers in these THDA programs elect to receive the financial assistance option. In fiscal year 2019-20, 139 military service members, veterans, and qualified spouses received home loans through Homeownership for the Brave; for comparison, 3,801 non-veterans received home loans through Great Choice home loan programs. The total value of home loans offered to military service members, veterans, and qualified spouses in fiscal year 2019-20 was \$23,995,102. In addition, 136 military service members, veterans, and qualified spouses received financial assistance for down payments or closing costs, totaling \$1,264,753.

Exhibit 9: Homeownership for the Brave recipients, by Grand Division | Fiscal year 2020



Source: Tennessee Housing Development Agency.

Similar to the Tennessee Veterans' Homes Board (profiled above), THDA is a *component unit* of state government, meaning it is a separate legal entity from the state, but its budget must be approved by the state. The board's funding is administered through a *proprietary fund*, which means it operates similarly to private sector organizations, rather than traditional government agencies.^F

State comparison: At least 21 other states offer homebuying assistance in addition to the federal homebuying benefits available to veterans.

Property tax relief

In fiscal year 2019-20, 15,810 disabled veterans received \$17.3 million in state reimbursements for some or all of their 2019 property tax payments. Additionally, 3,519 surviving spouses of veterans received \$3.6 million to help cover 2019 property tax payments. The average reimbursement for veterans and surviving spouses combined was \$1,080.

Tennessee offers a state-funded program to reimburse eligible elderly, disabled, and disabled veteran homeowners for some or all of their local property taxes.¹⁶ Property tax relief is also extended to the surviving veteran spouse under certain circumstances, including when veterans received tax relief prior to their death, or when a veteran's death resulted from a service-connected, combat-related cause, or when a veteran was killed in combat-related action. When homeowners first apply to the program, they must have already paid their property taxes, and, once approved, will receive a rebate from the state of the reimbursable portion of their taxes. After the first year, recipients will normally receive a voucher used as a credit for the relief amount when paying property taxes, and then the state reimburses the local jurisdiction.

Eligibility: Veteran must not have been dishonorably discharged and must meet one of the following disability categories:

- a service-connected disability that resulted in paraplegia, permanent paralysis of both legs and lower part of the body, loss or loss of use of two or more limbs, or legal blindness OR
- a total and permanent disability rating from a service-connected disability OR
- a 100 percent total and permanent disability rating from being a prisoner of war (POW).

Veterans meeting the eligibility requirements must own their home and use it as a primary residence. Veterans can receive reimbursement for both county and any city property taxes on the market value of their home up to \$175,000. Veterans are responsible for paying any property tax on the value exceeding \$175,000. There is no income requirement for veterans.

For comparison, the same state program also provided property tax reimbursements to eligible low-income elderly and disabled homeowners, providing \$17.9 million to 86,771 non-veteran homeowners in fiscal year 2020. Unlike the veteran portion of the program, the Tax Relief Program for low-income homeowners includes annual income limit criteria and a lower property value. In fiscal year 2020, veterans and surviving spouses accounted for 18 percent of state tax relief recipients and 54 percent of state tax relief dollars spent. State appropriations are made specifically for tax relief funding; costs to administer the program are included in the operating expenditures of the Comptroller's Division of Property Assessments.

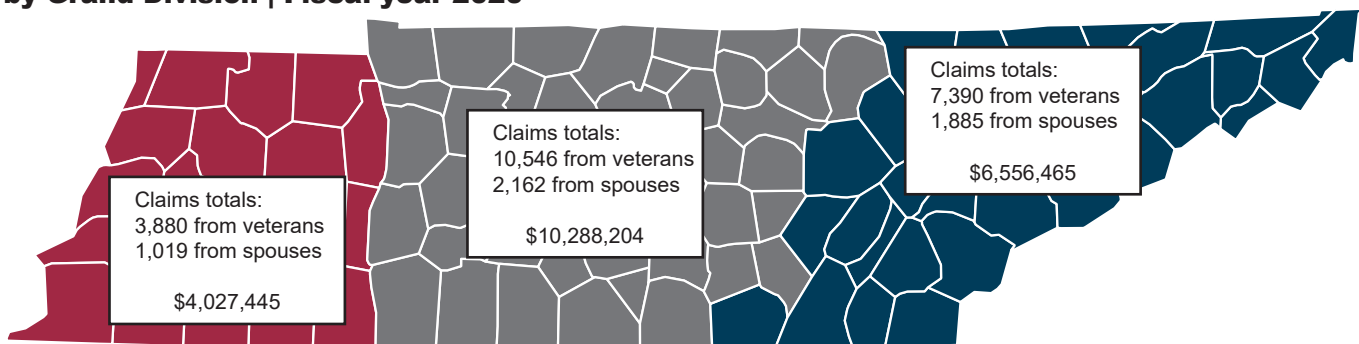
^F Other examples of Tennessee proprietary fund agencies include the Tennessee Housing Development Agency and the Tennessee Education Lottery.

Exhibit 10: Property tax relief for disabled veterans and surviving spouses compared to non-veterans | Fiscal years 2018, 2019, 2020

| Homeowner Category | FY 2017-18 Benefits Tax Year 2017 | | | FY 2018-19 Benefits Tax Year 2018 | | | FY 2019-20 Benefits Tax Year 2019 | | |
|---|--------------------------------------|------------------------------|--------------------------|--------------------------------------|------------------------------|--------------------------|--------------------------------------|------------------------------|--------------------------|
| | Number of recipients | Payments (100% state funded) | Percent of program funds | Number of recipients | Payments (100% state funded) | Percent of program funds | Number of recipients | Payments (100% state funded) | Percent of program funds |
| Disabled Veteran | 11,848 | \$12,675,264 | 37% | 13,376 | \$14,285,427 | 40% | 15,810 | \$17,251,398 | 45% |
| Disabled Veteran Surviving Spouse | 2,971 | \$3,066,935 | 9% | 3,208 | \$3,270,155 | 9% | 3,519 | \$3,620,716 | 9% |
| Total for veterans and surviving spouses | 14,819 | \$15,742,199 | 45% | 16,584 | \$17,555,582 | 49% | 19,329 | \$20,872,114 | 54% |
| For comparison purposes: | | | | | | | | | |
| Low income elderly and disabled | 89,818 | \$18,936,165 | 55% | 87,360 | \$18,321,261 | 51% | 86,771 | \$17,850,634 | 46% |
| Sum of program data for veterans and their surviving spouses and low income elderly and disabled: | | | | | | | | | |
| Total tax relief program | 104,637 | \$34,678,364 | 100% | 103,944 | \$35,876,843 | 100% | 106,100 | \$38,722,748 | 100% |

Source: Comptroller's Office, Division of Property Assessments.

Exhibit 11: Tax Relief Program claims awarded to disabled veterans and surviving spouses, by Grand Division | Fiscal year 2020



Note: Individual recipients may make separate claims for both county and city tax relief.

Source: Comptroller's Office, Division of Property Assessments.

Over the last 10 years, the number of Tax Relief Program claims awarded to veterans and surviving spouses has increased steadily, from 8,062 in fiscal year 2010 to almost 27,000 in 2020, an average increase of about 13 percent annually.^G (The number of claims awarded is higher than the number of recipients because homeowners may make separate claims for county and city property taxes.) Tax Relief Program staff attribute the upward trend in claims to increased military action, changes in the recognition of the negative effects

^G The only year since 2010 in which there was not an increase in veteran/surviving spouse claims awarded was fiscal year 2016. In that year, the General Assembly had instituted an income limit for veterans/surviving spouses to be eligible for tax relief to align expenditures with available funding; it was removed the following year.

of Agent Orange exposure by the U.S. Department of Veterans Affairs, and the legislature's 2007 change in defining disability status from *combat-related* to *service-connected*.¹⁷

In addition to the state, counties may offer their own property tax relief programs for veterans and other groups. The value of local tax relief programs may be less than, equal to, or greater than the state's tax relief but, by law, the combined state and local tax relief amounts cannot exceed the total taxes owed by homeowners.

State comparison: Property tax relief for veterans is a common benefit in the United States, with 49 states offering some kind of property tax relief to veterans.

Treatment courts for veterans

In fiscal year 2019-20, 418 veterans were served by 10 state veteran treatment courts, which received \$667,000 in state funds.

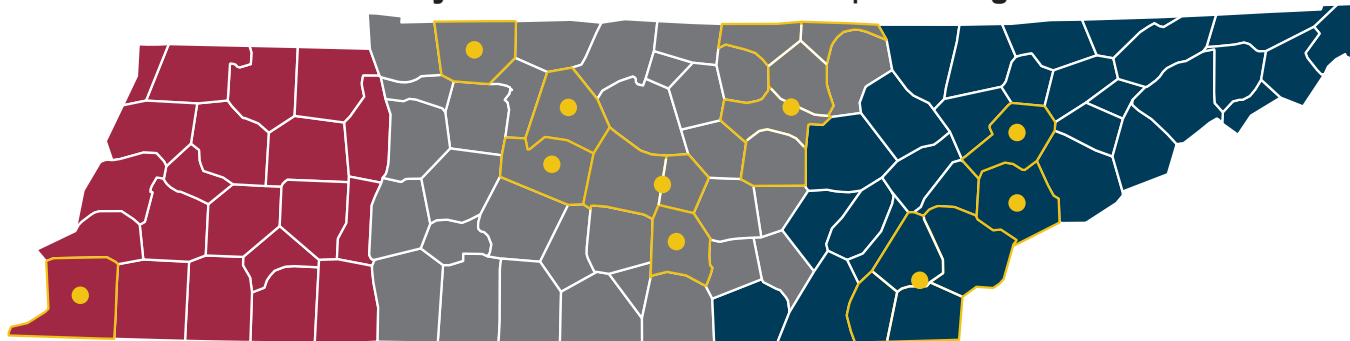
Eligibility: Varies with each treatment court. Some may serve veterans with dishonorable discharges, some may accept active-duty military, and some may serve those charged with a violent offense.

Treatment courts for veterans are similar to other recovery courts in seeking to include treatment as part of the justice system process. They can address a range of offenses in addition to substance use disorders and mental health needs. Because these courts are familiar with military culture and the challenges veterans encounter and because state law charges such courts with developing partnerships with other veterans services agencies, the expectation is that these courts can be more effective in reducing veterans' involvement in the criminal justice system.

The Office of Criminal Justice Services within Tennessee's Department of Mental Health and Substance Abuse Services oversees the state's recovery court programs. As of July 2020, 82 recovery courts of various kinds were in operation. About 60 percent of those focused on adults with substance use disorders and any co-occurring mental health disorders. Since a 2015 state law authorized veterans treatment court programs in Tennessee, 10 courts (12 percent of all recovery courts) have been established specifically for veterans treatment.¹⁸

Day-to-day operations of treatment court programs for veterans are carried out by judges, program coordinators, attorneys, law enforcement, probation officers, case managers, treatment staff, veterans service agency staff, and trained volunteer mentors. Veterans treatment courts typically receive federal grants as start-up funds. As federal grants end, the department allocates state appropriations to the courts as resources allow. The state's Criminal Justice Veterans Compensation Act (2015), which established veterans treatment courts, also provided that a portion of specified court fees are earmarked for the state and the remaining portion for counties that implement veterans treatment courts, to be held in designated funds and used for the veterans treatment court program.¹⁹ The state's designated fund was established in 2017, and the department had not tapped this fund as of September 2020.²⁰

Exhibit 12: Counties served by veterans treatment courts | As of August 2020



Note: Each dot represents a veterans treatment court. Seven veterans treatment courts serve single counties: Blount, Coffee, Davidson, Knox, Montgomery, Shelby, and Williamson (outlined in yellow). Three treatment courts serve multiple counties by judicial district: 10th judicial district: Bradley, McMinn, Monroe, and Polk; 13th judicial district: Clay, Overton, Pickett, Putnam, and White; 16th judicial district: Cannon and Rutherford. These judicial districts are also outlined in yellow.

Exhibit 13: Veterans treatment courts: number of veterans served with total state and federal funding^(a) | Fiscal years 2018, 2019, 2020

| | 2017-18 | | | 2018-19 | | | 2019-20 | | |
|---------------------------|---------------------------|------------------|------------------|---------------------------|------------------|------------------|--|------------------------------|------------------|
| | Number of veterans served | State funding | Federal funding | Number of veterans served | State funding | Federal funding | Number of veterans served ^(c) | State funding ^(d) | Federal funding |
| West | 130 | \$100,000 | \$81,039 | 141 | \$100,000 | \$89,042 | 124 | \$170,000 | \$101,312 |
| Middle | 278 | \$330,000 | \$319,286 | 283 | \$330,000 | \$389,879 | 251 | \$400,000 | \$362,000 |
| East^(b) | 12 | n/a | \$80,076 | 28 | n/a | \$97,781 | 43 | \$97,000 | \$95,000 |
| Total | 420 | \$430,000 | \$480,401 | 452 | \$430,000 | \$576,702 | 418 | \$667,000 | \$558,312 |

Notes: (a) County level funding may be provided for veterans treatment courts but is not reflected in this table.

(b) The 10th Judicial District’s Veterans Treatment Court serving four counties in East Tennessee opened in 2020. Funding for the Knox County Veterans Treatment Court is not reflected in this table. Its funding is under the umbrella of the Knox County Adult Recovery Court and is not reported separately.

(c) COVID-19 impacted the number of veterans served in veterans treatment courts during the last four months of fiscal year 2019-20.

(d) \$37,000 in nonrecurring state funds were appropriated in FY 2020 for the Blount County Veterans Treatment Court and is included in the state funding figures for East Tennessee.

Source: Tennessee Department of Mental Health and Substance Abuse Services.

For comparison, Tennessee’s other adult recovery courts – which include 50 adult recovery courts focused on substance use and co-occurring disorders, and 14 other recovery courts (mental health, driving under the influence, and human trafficking) – served more than 3,000 citizens in each of the past three years at a state cost of between approximately \$5 million and \$6 million.²¹ Veterans may be served through these other recovery courts as well as through the veterans treatment courts.

Exhibit 14: Adults served by and state and federal funding for adult recovery courts | Fiscal years 2018, 2019, 2020

| | 2017-18 | | | 2018-19 | | | 2019-20 | | |
|------------------------------------|-------------------------|---------------|-----------------|-------------------------|---------------|-----------------|--------------------------|---------------|-----------------|
| | Number of adults served | State funding | Federal funding | Number of adults served | State funding | Federal funding | Number of adults served* | State funding | Federal funding |
| Total | 3,425 | \$4,955,100 | \$295,331 | 3,594 | \$5,710,000 | \$1,369,381 | 3,291 | \$6,040,000 | \$1,493,639 |
| <i>Number of veterans included</i> | 81 | | | 92 | | | 80 | | |

Note: * COVID-19 impacted the number of adults served in recovery courts during the last four months of fiscal year 2019-20.

Source: Tennessee Department of Mental Health and Substance Abuse Services.

State comparison: At least eight other states have some type of veterans courts. As of June 2016, there were 461 veterans treatment courts or other veteran-focused court programs nationwide.

College scholarships

In fiscal year 2019-20, the Helping Heroes Grant provided \$414,522 in funds to 287 students, a decrease from fiscal year 2018-19 which provided \$667,000 to 424 students. The Helping Heroes Grant has a maximum of \$750,000 allocated for the total grant expenditures per year.

In 2008, the General Assembly created the Helping Heroes Grant program for Tennessee citizens who are decorated, post-9/11 veterans.²² The Helping Heroes Grant is funded through the state’s lottery scholarship program and is offered to veterans on a first-come, first-served basis. The grant provides \$1,000 per semester to veteran students enrolled in an eligible two-year or four-year postsecondary institution for at least 12 semester hours. Veterans who enroll in six to 11 semester hours are awarded \$500 per semester as part-time students. Veteran students may be awarded the grant for the equivalent of eight full-time semesters, as long as they continue to make satisfactory academic progress.

Eligibility: Honorably discharged veterans who are TN residents for one year preceding the date of the application for the grant and have not earned a baccalaureate degree. To qualify, a veteran must have been awarded one of the following:

- Iraq Campaign Medal;
- Afghanistan Campaign Medal; or
- Global War on Terrorism Expeditionary Medal, on or after September 11, 2001.

Beginning with the 2020-21 academic year, eligible veterans receive the grant at the beginning of each semester, based on the number of hours in which they are enrolled, rather than at the end. This change, enacted with the passage of Public Chapter 794, the Financial Aid Simplification for Tennesseans (“FAST”) Act of 2020, makes the Helping Heroes Grant more consistent with other state financial aid programs.

Tennessee offers a variety of scholarship and grant opportunities to students; in fiscal year 2018-19, a total of about \$394 million in scholarship and grant funding was provided to nearly 150,000 students. The following compares the Helping Heroes Grant to two grant programs available for non-veteran groups.^H

Exhibit 15: Scholarship grants compared | Fiscal years 2018, 2019, 2020

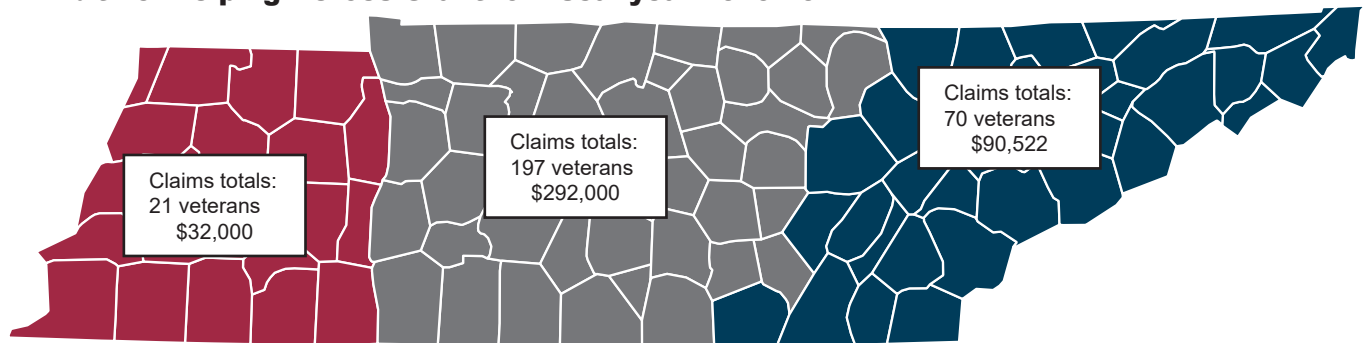
| Program | Eligibility | Award amount | 2017-18 students | 2017-18 expenditures | 2018-19 students | 2018-19 expenditures | 2019-20 students | 2019-20 expenditures |
|----------------------------------|--|--|------------------|----------------------|------------------|----------------------|------------------|----------------------|
| Helping Heroes Grant | Decorated, post-9/11 veteran | Up to \$1,000 per semester | 419 | \$644,500 | 424 | \$667,000 | 287 | \$414,522 |
| Hope Foster Child Tuition Grant | Foster child for at least one year after reaching 14 years of age | Covers cost of attendance less any gift aid | 80 | \$552,517 | 87 | \$572,824 | 105 | \$582,586 |
| Non-Traditional Hope Scholarship | Student must be at least 25 years of age and have an adjusted gross income of \$36,000 or less | Up to \$1,500 at two-year institutions and \$1,750 at four-year institutions | 1,318 | \$3,866,625 | 812 | \$2,629,050 | 481 | \$1,608,878 |

Note: The requirements listed in the eligibility column are not a complete list. Rather, these reflect the defining difference between the listed scholarship program and other scholarships.

Source: Tennessee Higher Education Commission.

^H The availability of these programs to non-veterans does not exclude veterans applying for the programs. Non-veteran programs do not require veteran status to be eligible for funds.

Exhibit 16: Helping Heroes Grant for fiscal year 2019-20



Note: The total for all regions combined is 288, though only a total of 287 students received grants. Students who attend more than one university in an academic year are counted only once in the statewide total of 287.

Source: Tennessee Higher Education Commission.

State comparison: About 30 states offer various higher education scholarship programs for veterans and/or their dependents.

Programs for veterans at higher education institutions

The Tennessee Higher Education Commission (THEC) awarded \$1.3 million in Veteran Reconnect grants in 2019 for projects at selected public and private higher education institutions in Tennessee. Another \$1 million was earmarked in the 2020 appropriations act, and a new request for proposal to award those funds was tentatively planned to be posted by December 2020.

Eligibility: Tennessee public and private higher education institutions are eligible to apply.

Veteran Reconnect grants, first awarded in 2015 as part of the state's Drive to 55 initiative, are intended to help campuses support their student veterans and attract new veterans to campus.

The 2019 grant projects were to begin in January 2020 and run for 12 to 24 months. Due to concerns with COVID-19 and the ability of schools to spend 2019 funding as planned, THEC staff was evaluating the most effective use of \$1 million in state funding appropriated by the General Assembly in 2020.²³ Like past years' funding, the state's appropriation for Veteran Reconnect grants is nonrecurring. No additional state costs are incurred by THEC for administration of the grant program.

Grants in 2018 were awarded to projects focused on improving the assessment of veterans' prior military training to determine the equivalent college credits that could be awarded. Two grants developed statewide conferences focusing on veterans, one on-site and the other virtual.

In 2019, grant proposals were to focus on:

- transition strategies from the military to higher education;
- research on veterans transition to higher education at public institutions;
- support to increase veterans' academic success in pursuing degrees; and
- preparation for entry into the civilian workforce.

Grant proposals could come from individual institutions or from a collaboration among multiple institutions for the development of new or innovative programs or faculty research on the academic performance of (or academic support for) student veterans.

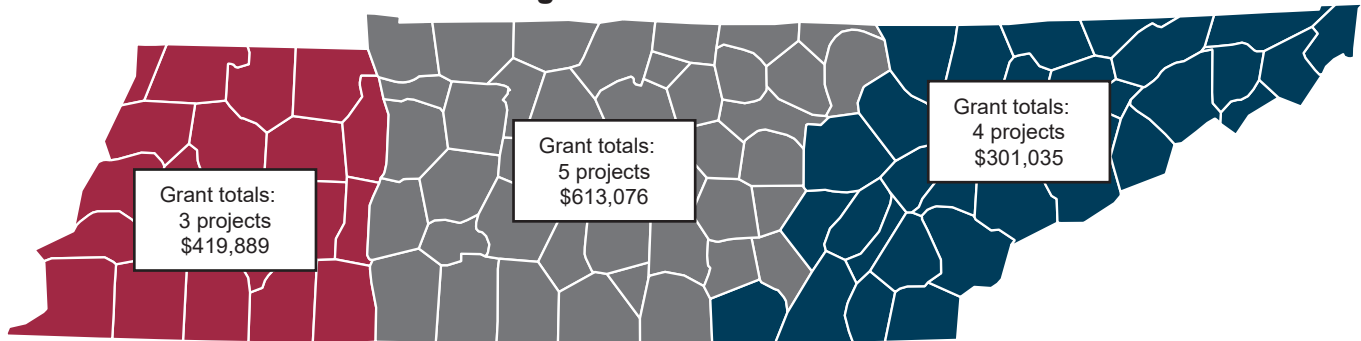
Exhibit 17: Veteran Reconnect Grant | 2018 and 2019

| 2018 Grant awards | |
|-------------------------------------|------------------|
| Institution | Amount |
| West | |
| Bethel University | \$58,400 |
| Lane College | \$66,984 |
| University of Memphis | \$21,054 |
| University of Tennessee - Martin | \$78,570 |
| Middle | |
| Middle Tennessee State University | \$22,526 |
| Nashville State Community College | \$71,605 |
| Tennessee State University | \$69,200 |
| East | |
| East Tennessee State University | \$25,000 |
| Northeast State Community College | \$80,000 |
| Pellissippi State Community College | \$25,000 |
| Roane State Community College | \$80,000 |
| Tusculum University | \$80,000 |
| University of Tennessee – Knoxville | \$72,250 |
| Walters State Community College | \$60,588 |
| Statewide Total | \$811,177 |

Source: Tennessee Higher Education Commission.

| 2019 Grant awards | |
|---|--------------------|
| Institution | Amount |
| West | |
| Dyersburg State Community College | \$149,040 |
| Southwest Tennessee Community College and TCAT Memphis | \$145,696 |
| University of Tennessee - Martin | \$125,153 |
| Middle | |
| Austin Peay State University | \$150,000 |
| Belmont University | \$149,040 |
| Lipscomb University | \$130,100 |
| Middle Tennessee State University – program | \$121,985 |
| Middle Tennessee State University – research | \$61,951 |
| East | |
| Chattanooga State Community College | \$43,632 |
| TCATs at Harriman, Jacksboro, Oneida/ Huntsville, and Knoxville | \$50,000 |
| Tusculum University | \$70,625 |
| University of Tennessee – Chattanooga | \$136,778 |
| Statewide Total | \$1,334,000 |

Exhibit 18: Veteran Reconnect 2019 grant awards



Source: Tennessee Higher Education Commission.

State comparison: Similar state grant programs were identified in at least two other states.

Service Credit for the Tennessee Consolidated Retirement System

In fiscal year 2019-20, a combined total of 2.17 years of military service credit for the Tennessee Consolidated Retirement System (TCRS) was granted to veterans.¹ The Tennessee Department of Treasury estimates \$5,900 in forgone employee contributions for the service years credited in fiscal year 2019-20.

Eligibility: Veterans who worked for the state prior to their military service can establish retirement credit for military service. Veterans who served during an armed conflict or in peacetime (as defined in law) can also establish service credit.

¹ Military credit was established under the state's newer hybrid retirement plan. No service credit has been granted under the legacy plan for at least the past three fiscal years.

State law allows veterans the option to apply military service credit to their retirement benefits under TCRS under three conditions.²⁴

For those with prior employment in a TCRS organization:

1. Veterans who worked for a TCRS employer prior to military service and within six months after honorable discharge can establish retirement credit for time of military service. The employee is required to make a back payment equal to the amount of employee contributions the member would have made had the member remained continuously employed with the employer during the period of military service claimed. The exception to this requirement is if the military service was during the Persian Gulf War (the first Gulf War, 1990-1991), then the service is credited without charge to the member. If the member is an employee of a political subdivision, then the exemption of employee contributions for Persian Gulf War time of service is at the discretion of the political subdivision.

For those without prior employment in a TCRS organization:

2. Veterans who served in the military during an armed conflict can establish retirement credit with TCRS for their period of service without the requirement to pay employee contributions for their service credited to them. For the purposes of establishing retirement credit, an armed conflict refers to World War I, World War II, the Korean War, and the Vietnam Era.
3. Veterans who served during peacetime can earn retirement credit as prescribed in law and must pay the employee contributions for the service time as prescribed. Peacetime military service is defined as any time from October 1940 to May 1975.^l

Total retirement credit granted under the latter two conditions above is capped at four years. The credit may be granted conditionally when the veteran becomes vested in TCRS; prior to vesting, the credit may not be used to establish any rights under TCRS.

Fiscal year 2020 had the lowest number of service credits established for the last three fiscal years. There are no significant administrative costs or additional costs to the state for offering the benefit to veterans.

Exhibit 19: Estimated military service costs | Fiscal year 2018, 2019, 2020

| | Total years of service credited | Total estimated cost of service credits |
|----------------|--|--|
| 2017-18 | 5.66 | \$14,397.04 |
| 2018-19 | 8.73 | \$23,512.34 |
| 2019-20 | 2.17 | \$5,905.83 |

Source: Tennessee Department of Treasury.

State comparison: At least 15 other states offer military service credit toward state retirement.

License plates and decals for veterans

Tennessee offers standard and specialty license plates to residents. Most plates have a registration fee of \$26.50, with an additional \$35 charge for personalization.^k Tennessee offers more than 100 types of specialty license plates, including plates for clubs, organizations, college alumni and various causes, most of which require an annual fee of \$61.50, with \$35 from that fee allocated to support organizations and causes.

^l Political subdivisions have the option to implement military credit provisions for items 2 and 3 above. The state is not responsible for the military service established by political subdivision employees or teachers.

^k Some plates require an initial fee of \$29.80, with the renewal fee at \$26.50.

Specialty plates

In fiscal year 2019-20, 134,906 veteran and military specialty license plates were issued.¹ Of those plates, one-third (44,440) were issued to qualified veterans and eligible dependents free of charge, totaling about \$1.2 million in estimated forgone revenue for the state.

Eligibility: Service members, veterans, retirees, and eligible dependents.

Tennessee offers over 40 specialty license plates to eligible service members, veterans, retirees, and their eligible dependents. Of those specialty plates, 12 veteran-related license plate types qualify for an annual waiver of the state registration fee, allowing certain eligible veterans and their eligible dependents the first plate free of charge.²⁵ The most commonly issued free veteran-related plates are disabled veteran plates.

Most Tennessee veteran and military specialty plates have the same state fees as standard license plates. The state does not forgo revenue for most of these plates. Veterans and their dependents who meet certain eligibility requirements can qualify to receive their first specialty plate at no charge, with each additional plate being charged the same rates as other military plates. For comparison, Tennessee emergency and safety responders can receive specialty plates specific to their service – like volunteer firefighters, members of the rescue squad, and Tennessee State Guard – at the same rates as standard Tennessee license plates.

Exhibit 20: Veteran-related specialty license plates issued | Fiscal years 2018, 2019, and 2020

| | 2017-18 | | 2018-19 | | 2019-20 | |
|--|-------------|-----|-------------|-----|-------------|-----|
| Total veteran and military specialty plates | 123,635 | | 130,532 | | 134,906 | |
| Free veteran-related plates and their percentage of total military plates | 38,909 | 31% | 40,522 | 31% | 44,440 | 33% |
| Disabled veteran plates and their percentage of free veteran-related plates | 28,867 | 74% | 30,341 | 75% | 32,813 | 74% |
| Estimated forgone revenue for all free veteran plates | \$1,031,089 | | \$1,073,833 | | \$1,177,660 | |
| Estimated forgone revenue for disabled veterans plates with percentage of free veteran-related plates | \$764,976 | 74% | \$804,037 | 75% | \$869,545 | 74% |

Note: Forgone revenue estimates are based on the registration fees that are waived for the first plate. There is no forgone revenue for the remainder of plates issued. The total number of veteran and military specialty plates includes the 12 free veteran-related plates and all other specialty military plates (40+ types total). Source: Tennessee Department of Revenue provided the data for all military and veteran plates, free plates, and disabled veteran plates. OREA adjusted the free plate totals in this exhibit to reflect the 12 veteran-related plates identified in *TCA 55-4-204(b)*. Note that some of these plates may be initially issued to active-duty military.

To qualify for the disabled plate, veterans must meet one of the following requirements:

- loss or permanent loss of use of one or both feet;
- loss or permanent loss of use of one or both hands;
- permanent impairment of vision in both eyes; or
- 100 percent permanent and total service-connected disability.

Qualified disabled veterans receive one free disabled specialty plate or may receive a disabled driver decal, which is added to an existing specialty plate. Disabled decals and plates allow the qualifying driver access to handicap parking as well as any other disabled driver benefits. For veterans who receive a free disabled decal

¹ The number of plates issued is not the number of veteran recipients. Some veterans may be eligible and apply for more than one specialty plate.

for an existing plate, there is no additional charge for the decal and the state does not forgo revenue because the license plate has already been paid for by the owner. Free disabled decals are available to all eligible disabled drivers, regardless of veteran status.^M

State comparison: Veteran specialty plates are available in 49 states.

Handgun permit fee discounts

In fiscal year 2019-20, 3,700 veterans and active duty military received discounts on handgun permit application fees resulting in about \$131,000 of forgone revenue for the Tennessee Department of Safety and Homeland Security.

Eligibility: All Tennessee veterans who have an honorable discharge from their military service.

Any veteran who is at least 18 years old and honorably discharged or retired from military service is eligible to apply for a handgun permit.²⁶ (Applicants who are not veterans must be 21 years old to apply for a handgun permit.) Veterans can receive a \$35 discount off the standard application fee for either the initial eight-year enhanced permit or the lifetime enhanced permit.

Enhanced handgun permits allow open or concealed carry and require in-person training unless a permit holder is exempted. Enhanced permits were the standard handgun permits issued in Tennessee prior to the new concealed handgun permits, first issued in January of 2020. The new permits authorize only concealed carry and may be obtained by completing training through approved online courses.

Renewals of an eight-year enhanced permit, upgrades from the eight-year permit to a lifetime permit, and the new concealed carry permits are not discounted for veterans. Active duty military are eligible for the same discount as veterans. Exhibit 21 shows the number of permit applications received and processed for both veterans and active-duty military by the Tennessee Department of Safety and Homeland Security. Although permit numbers could not be separated for veterans and active-duty applicants, roughly 96 percent of military-connected residents in Tennessee are veterans, and thus it is assumed that most permits are for veterans.²⁷

Exhibit 21: Handgun permit applications from veterans and active-duty military | Fiscal years 2018, 2019, 2020

| Year | 8-year permits | Lifetime permits | Total permits | Total discounts (forgone revenues) |
|---------|----------------|------------------|---------------|------------------------------------|
| 2017-18 | 4,238 | 1,045 | 5,283 | \$184,905 |
| 2018-19 | 3,433 | 985 | 4,418 | \$154,630 |
| 2019-20 | 2,750 | 991 | 3,741 | \$130,935 |

Source: Tennessee Department of Safety and Homeland Security.

State comparison: Six other states were identified as providing free or discounted handgun permits.

^M While disabled decals are offered free to disabled drivers, non-veteran disabled drivers do not receive a free disabled plate. Non-veteran disabled drivers are required to pay \$26.50 for the plate and an additional \$3.00 renewal fee every two years.

Hunting and fishing license discounts

In fiscal year 2019-20, 1,341 disabled veterans received discounted hunting and fishing licenses, resulting in forgone revenue ranging from estimates of \$209,196 (based on the cost of an annual license) to \$2,636,406 (based on the cost of a lifetime license) for the Tennessee Wildlife Resources Agency (TWRA). As of the end of June 2020, 23,920 disabled veterans hold lifetime discounted licenses.

Eligibility: Tennessee veterans who are at least 30 percent disabled and whose disability is the result of injury or illness from wartime service or 100 percent disabled from a service-connected cause.

Tennessee offers discounted hunting and fishing licenses to disabled American veterans (known as DAV licenses) for a one-time \$10 fee.²⁸ DAV licenses are valid for the lifetime of the license holder. For other Tennessee residents, annual hunting and fishing license fees range from \$34 (for a basic, minimum license) to \$166 (for an all-inclusive license), and lifetime hunting and fishing license fees range from \$200 to \$1,976, based on the applicant's age range.^N Calculating an estimate of forgone revenue from the DAV licenses depends on which type of license is used as the basis for revenue collections without a disabled veteran discount: the standard annual, all-inclusive license at a cost of \$166 or the lifetime license cost of \$1,976.^O Estimates using both types of licenses are compared in Exhibit 22.^P

Exhibit 22: DAV hunting and fishing licenses issued | Fiscal years 2018, 2019, 2020

| | 2017-18 | 2018-19 | 2019-20 |
|--|-------------|-------------|----------------------|
| Total active DAV licenses | 21,260 | 22,579 | 23,920 |
| DAV licenses issued per year | 1,253 | 1,319 | 1,341 ^(a) |
| Estimated forgone revenue (annual licenses) | \$195,468 | \$205,764 | \$209,196 |
| Estimated forgone revenue (lifetime licenses) | \$2,463,398 | \$2,593,154 | \$2,636,406 |

Note: (a) This is the total number of licenses issued, including 16 out-of-state licenses that were issued in FY 2020 that are no longer valid.

Source: The figures in the table were calculated by OREA. TWRA estimates the potential forgone revenue at \$1,284,742 (FY 2018), \$1,364,449 (FY 2019) and \$1,445,486 (FY 2020). TWRA's rates are calculated using the average spent on a base license by a customer (\$60.43) applied to the total number of active license holders per year.

Tennessee offers discounted lifetime licenses to non-veterans in four disability categories. Rates for disabled licenses are \$10 for all categories, except for disabled individuals under 18, which is \$5 per license. In fiscal year 2020, 143 licenses for all other disabled license categories (excluding DAV licenses) were issued and there was a total of 6,591 active licenses. Forgone revenue for all other categories of disabled licenses is estimated between \$22,308 and \$281,138 for the 143 licenses that were issued.^Q There are no additional administrative costs associated with offering a DAV license benefit to veterans.

TWRA's functions are funded primarily by earmarked revenues generated from license sales, fees, permits, and fines, which are held in a special revenue fund, and by federal excise taxes, which are allocated, in part, by the number of hunters and fishers in the state. TWRA does not receive state appropriations from the general fund. Revenues for and expenditures from TWRA's special revenue fund, like other state special revenue funds, are reported in the general fund for state budget purposes.

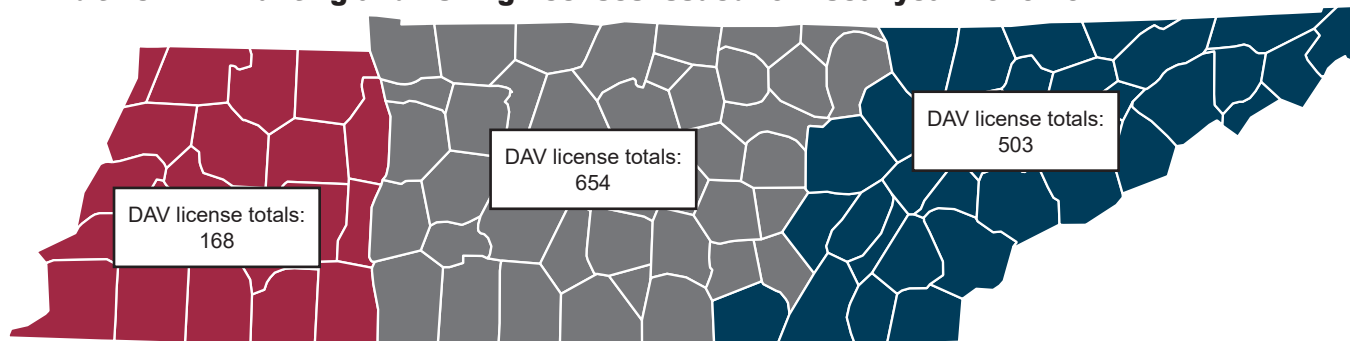
^N Lifetime licenses are \$1,976 for individuals between the age of 13 and 51. Licenses are less expensive for individuals above or below that age range.

^O The annual license rate of \$156 (\$166 minus the \$10 DAV license fee) was used to calculate the lower forgone revenue estimate. The lifetime license rate of \$1,966 (\$1,976 minus the \$10 DAV license fee) was used to calculate the higher forgone revenue estimate. It is unknown whether DAV license holders would purchase lifetime licenses rather than annual licenses if discounted DAV licenses were not offered.

^P TWRA receives \$165 of the annual license fees. The additional \$1 goes directly to the license agent selling the license.

^Q OREA used the same annual and lifetime license rates to calculate forgone revenues for other disabled license categories as were used for DAV licenses. These estimates do not account for the \$5 licenses for disabled minors. Using the average cost of licenses provided by TWRA, estimated forgone revenue is \$398,294 for all other disabled licenses.

Exhibit 23: DAV hunting and fishing licenses issued for fiscal year 2019-20



Note: The totals listed for each Grand Division do not include the 16 licenses for individuals who moved out of state that are no longer valid. As such, the total for all three divisions is 1,325.

State comparison: Discounted hunting and fishing licenses are a common veteran benefit, with 48 states offering certain veterans discounted licenses.

Discounted camping rates

In fiscal year 2019-20, veterans used their off-season discount rate for state park camping 232 times, resulting in estimated forgone state revenue of \$10,042. That same year, the year-round discount for 100 percent permanently and totally disabled veterans was used 219 times, resulting in \$10,052 of forgone revenue.

Eligibility: All Tennessee veterans.

During the off-season (i.e., December through February), a 50 percent discount on camping fees is extended by the Tennessee Department of Environment and Conservation to all Tennessee veterans.²⁹ As of July 1, 2019, veterans who have a 100 percent service-connected disability can receive the 50 percent discount year-round. Over the past three fiscal years, there has been an increase in the use of this state park discount by veterans, with 138 uses in FY 2018 and 183 uses in FY 2019 and estimates of forgone revenue of \$7,165 and \$9,934, respectively.^R

The following discounts are available to other designated groups who visit Tennessee State Parks:

- **Tennessee residents** can receive a year-round discount of 10 percent off camping, cabins, and lodge rooms.
- **Current and retired Tennessee state employees; county and city public school teachers; full-time, part-time, and retired members of the Tennessee National Guard; active-duty military personnel; and current members of the Tennessee General Assembly** receive discounted cabin and camping fees at a rate of 25 percent off during in-season (March through November), and 50 percent during off-season (December through February).
- **Senior citizens**, age 62 and older, receive a 25 percent discount on in-season camping fees, and a 50 percent discount on off-season camping fees. Senior citizens also receive a year-round 10 percent discount at inns and restaurants.
- **Tennessee state employees** receive a 15 percent discount at TDEC gift shops and golf shops.
- **Current and retired Tennessee state employees** receive 20 percent off green fees and golf cart rentals.
- **Disabled guests** receive a 25 percent off discount for camping fees; during off-season, the disability discount is approximately 50 percent off camping fees.

State comparison: At least 42 other states offer veteran discounts at state parks.

^R The year-round discount for disabled veterans has been in effect for only one fiscal year so no trend data is available at this time.

Free day at state parks (Veterans Day)

In fiscal year 2019-20, \$1,559 in camping and golf course green fees were waived on the annual free state park day for veterans.

Eligibility: All Tennessee veterans.

State law requires one day per year for veterans to have free access to and use of state parks, including campgrounds and golf courses.³⁰ The Department of Environment and Conservation designates Veterans Day, recognized in Tennessee on November 11 or the closest weekday to that date, as Free State Park Day for all Tennessee veterans, including complimentary green fees and one night of camping. There are no admission or parking fees for any of the state parks in Tennessee. Veterans are the only residents who have a designated free day at state parks.

Exhibit 24: Veterans Day free day at state parks | Fiscal years 2018, 2019, 2020

| | Free camping | | Free green fees | |
|----------------|------------------|-----------------|------------------|-----------------|
| | Number of usages | Forgone revenue | Number of usages | Forgone revenue |
| 2017-18 | 24 | \$596.00 | 100 | \$2,403.00 |
| 2018-19 | 20 | \$497.00 | 14 | \$316.00 |
| 2019-20 | 14 | \$362.25 | 63 | \$1,197.00 |

Source: Tennessee Department of Environment and Conservation.

State comparison: Most states offer veterans free or discounted rates at state parks on Veterans Day.

Veterans preference programs

Preference programs are those that typically offer services and benefits to both veterans and non-veterans but specify that veterans receive priority over non-veterans for the service or benefit. Generally, no specific state costs are incurred when the state designates that a preference be given to veterans for benefits or services that are offered to non-veterans as well.

State employee hiring preference

The State of Tennessee gives a hiring preference to veterans who apply to “preferred service” positions with the state.⁵ Preference is given to applicants who meet the minimum qualifications of the position applied for and provide documentation verifying their veteran status or affiliation. The hiring preference is also extended to the spouse of a veteran who has a 100 percent service-connected disability or is permanently and totally disabled, or the spouse of a veteran who died in the line of duty during military service. When an appointing authority passes over an eligible veteran or spouse and fills the vacant position with a non-veteran applicant, the reasons for the decision are to be documented in a letter (known as a bypass letter) that becomes part of the applicant’s record. The applicant may review the reasons for the bypass, but the reasons are not made available to the public.

In fiscal year 2020, 5,097 veterans and qualifying spouses filed 11,082 applications. Of those applications, 577 individuals with the veteran preference were hired and 3,461 veteran bypass letters documenting non-veteran hires were issued.

⁵ Preferred service, formerly known as “career service,” provides certain employee protections and is distinguished from executive service, in which employees serve on an “at-will” basis.

Exhibit 25: Veteran applications | Fiscal years 2018, 2019, 2020

| | 2017-18 | 2018-19 | 2019-20* |
|--|---------|---------|----------|
| Total veteran applications | 26,663 | 24,560 | 11,082 |
| Total unique veteran applicants | 8,399 | 7,483 | 5,097 |
| Total veterans hired | 965 | 964 | 577 |
| Total veteran bypass letters | 9,211 | 7,653 | 3,461 |

Note: * There was a state hiring freeze in the later part of FY 2020, which could impact the number of veterans hired in FY 2020.

Source: Tennessee Department of Human Resources.

The total number of veteran applicants has decreased over the last three fiscal years, but the percentage of veterans hired has remained relatively the same at 11.5 percent (2018-19), 13 percent (2018-19), and 11.3 percent (2019-20). Certain veterans receive hiring preference for federal jobs in the U.S., and all 50 states offer veterans hiring preference for state jobs.

Governor's Office of Diversity Business Enterprise (GoDBE)

GoDBE is responsible for coordinating and directing the executive branch's efforts to assist small businesses and businesses owned by minorities, women, service-disabled veterans, and persons with disabilities to develop into successful businesses and receive fair opportunities to participate in state procurement activities and contract awards. Currently, there are about 2,100 businesses certified through GoDBE, and 83 of those businesses are owned by disabled veterans. In fiscal year 2020, nine of the 83 service-disabled, veteran-owned business enterprises (SDVBE) conducted about \$19.5 million in business with the state. In the last three years, there has been a steady increase in the number of veteran-owned businesses certified through GoDBE. The number of SDVBEs that have done business with the state, though, has varied, with 13 in fiscal year 2018 and eight in fiscal year 2019. SDVBEs have done approximately \$51.5 million in business with the state in the last four years.

To be eligible for the services provided by GoDBE, businesses must first be certified by GoDBE as a business owned by individuals in one of the specified diversity groups. Certification provides third-party verification to help larger entities (such as corporations or government agencies) make decisions about doing business with small, disabled-, veteran-, minority- or women-owned businesses. To qualify as a service-disabled, veteran-owned business enterprise, the veteran must have at least a 20 percent service-connected disability rating from the U.S. Department of Veterans Affairs. The business must be at least 51 percent owned and controlled by one or more service-disabled veterans, except when the business is also owned by the veteran's spouse, in which case the veteran must own 50 percent of the business.

GoDBE helps qualifying businesses compete successfully for the State of Tennessee's expenditures for goods and services. Upcoming bid opportunities are published through GoDBE's website, and GoDBE representatives send out notifications of bids to GoDBE-certified businesses. GoDBE representatives also attend pre-bid and pre-response conferences and assist state agencies and departments with achieving their internal annual agency goals for the participation and use of GoDBE qualifying businesses. There are no specific costs to the state associated with assisting disabled-veteran businesses.

Early college class registration

Military veterans are allowed to register for classes prior to the general student population at any public college or university in the state.³¹ Early registration occurs using the same procedure used by student athletes, disabled students, and honor students, if those groups are permitted to register early. Early registration does not result in any financial impact.

VETS campus certification

The Tennessee Higher Education Commission (THEC) certifies institutions of higher education as VETS (veterans education transition support) campuses, as authorized under state law.³² The designation is intended to recognize campuses that prioritize outreach to veterans and create supportive environments that allow student veterans to succeed. The law includes seven criteria for institutions to meet to qualify for certification, including assessment of prior learning for college credit; outreach to military installations; veteran-focused orientations, mentoring, and support programs for student veterans; education of faculty and staff about student veterans' issues; and annual surveys of student veterans for their input on campus needs and issues. Services and assistance to student veterans may include campus veterans centers, specialized staff positions that understand veterans unique transition challenges, links to resources for veterans, partnerships with community businesses or other groups, and special events and recognition.

As of fall 2020, 25 Tennessee campuses had VETS certification: 10 public four-year universities, nine public two-year community colleges, and six private institutions.[†] VETS campuses have over 10,000 student veterans enrolled, based on 2019 data.

There is no required cost to the institution to become a VETS-certified campus. Some institutions may use Veteran Reconnect state grants or general state appropriations to supplement veterans supports and programs, but each campus is responsible for identifying funding streams and determining the allocation of resources to develop services for student veterans. No direct state costs are incurred for the VETS campus certification program.

Preference for programs serving children

Licensed childcare providers

State law provides that childcare providers licensed by the Department of Human Services (DHS) must give preference on childcare waiting lists to children from certain military-affiliated families.³³ Children who are eligible to receive preferred placement on any agency's waiting list for child care include those who:

- have a parent who was a former prisoner of war or formerly missing in action while serving honorably during a qualifying period of armed conflict (such a parent could be a veteran); or
- have a parent who is an active-duty service member, who was killed or died from injuries during a qualifying period of armed conflict, or who has been reported as a prisoner of war or missing in action while serving honorably during qualifying armed conflicts (such parents would be considered active-duty service members).

There are no state costs associated with this state-mandated preference. DHS does not check implementation of this preference in its routine monitoring activities and is not aware of any complaints related to violations of this preference.

Tennessee's Voluntary Pre-kindergarten program

The state law that established the Voluntary Pre-kindergarten (VPK) program set priorities for children the program should serve.³⁴ The state-funded pre-k classrooms, established through local school boards, are to serve:

- four-year-olds with a parent who was killed or died as a direct result of injuries received during a qualifying period of armed conflict, who has been reported as a prisoner of war or missing in action while serving honorably during a period of conflict, or who was formerly a prisoner of war or missing in action under the same circumstances;

[†] Certified VETS campuses include Austin Peay, East Tennessee State, Middle Tennessee State, Tennessee State, and Tennessee Tech universities; University of Memphis; University of Tennessee at Chattanooga, Knoxville, Martin, and at the Health Sciences Center; Chattanooga State, Cleveland State, Columbia State, Dyersburg State, Jackson State, Northeast State, Pellissippi State, Volunteer State, and Walters State community colleges; Bryan College, Christian Brothers University, Lane College, Lipscomb University, Maryville College, and Trevecca Nazarene University.

- four-year-olds from low-income families (i.e., eligible for free and reduced-price lunch); and
- other three- and four-year-olds as described by statute, subject to availability of space and resources.

Over the past three years, children who had a parent meeting the military requirements (either active-duty service members or veterans) have numbered less than 100 statewide.³⁵ VPK classrooms in Montgomery County, home to many military families because of its proximity to the Fort Campbell army base, accounted for at least half of all military-connected children served. In 2019-20, military-connected children made up less than 1 percent of the estimated 18,560 funded seats available in VPK classrooms. Because the state funds VPK classrooms rather than individual children, there is no cost to the state for providing a preference for military-connected students. VPK seats would likely be filled by other children at the same cost to the state if this statutory preference were removed.

Other benefits and protections

Other benefits for veterans are offered by the state or managed by state agencies. The size and scope of these benefits are smaller, and they may or may not have identifiable costs, or the cost of the programs may be paid for by federal grants. Also included are state efforts to protect veterans.

Correctional housing units for veterans

Four state correctional facilities have established special veterans housing units since February 2019. These housing units are typically low security options for inmates who are veterans and have demonstrated appropriate behavior to be placed together with other veterans. In fiscal year 2019-20, a daily average of 198 veterans were served in dedicated housing units. The four veterans correctional housing units are located at:

- Bledsoe County Correctional Complex with 54 beds;
- Northwest Correctional Complex with 48 beds;
- Turney Center Industrial Complex with 128 beds; and
- West Tennessee State Prison with 24 beds.³⁶

Staff of the Tennessee Department of Correction indicate that the units operate as an honor-based housing assignment, dependent on the camaraderie among the veterans housed there and their accountability as a group. Services tailored to veterans' needs are provided through partnerships with the Tennessee Department of Veterans Services and assignment of staff familiar with veterans' issues and military culture. Costs for operating the units are the same as those housing non-veterans; no additional state resources are required. The National Institute of Corrections identified 26 other states that have designated housing for veterans within state prisons.

Tuition benefits

Two programs offer higher education tuition and fee benefits to veterans or their dependents. While they do not have an impact on state funding, they could have an impact on collection of revenues by public higher education institutions.

Tuition and fee waivers for dependents of veterans

Under state law, a dependent child of a veteran who is below age 23, or the spouse of a veteran, can receive a waiver of tuition and specified fees (maintenance, student activity, and required registration or admission fees) from a state college or university if the veteran meets all three of the following requirements:

- was, or is, a prisoner of war or missing in action or was killed or died due to injuries while on active duty;
- was serving during a time of armed conflict; and
- served honorably.³⁷

Because the eligibility requirements for this benefit (also known as the fallen soldier waiver) define a limited group of students and other higher education benefits (such as a federal scholarship) are available to many of the same students, this state benefit appears to be used rarely. For example, at Middle Tennessee State University (MTSU), only one student has used the benefit during the past three years, resulting in a total of \$14,195 in fees waived.³⁸ At the University of Tennessee-Chattanooga (UTC), no students used this benefit during school year 2019-20.³⁹ The Tennessee Board of Regents (TBR) reported nine students receiving the tuition and fee waivers, equivalent to about five full-time equivalent students, across all 40 of its community and applied technology college campuses during 2019-20.⁴⁰

Because the law requires state institutions to waive tuition and the specific fees and admit a qualifying student “without cost,” the financial impact is a loss of student revenue to the state’s universities and colleges. State funding to the institutions is not impacted.

For comparison, state law provides for similar higher education benefits to dependent children of law enforcement officers, firefighters, or emergency medical service technicians who were killed or totally and permanently disabled while performing job-related duties.⁴¹ This program differs, however, from the fallen soldier waiver, in that eligible students apply to the Tennessee Student Assistance Corporation, which provides scholarship payments directly to eligible students for tuition, required fees, and an allowance for books, supplies, room, and board, except for costs covered by other scholarship or aid programs. About 37 states offer tuition waiver programs for certain veterans and/or their dependents, often for cases in which the service member was killed in action, held as a prisoner of war, or sustained 100 percent disability.

Out-of-state tuition exemption

Tennessee law prohibits veterans or their eligible dependents, regardless of their formal state of residence, from being required to pay out-of-state tuition or out-of-state fees when enrolled in a Tennessee public higher education institution as long as they live in Tennessee and are using their federal education benefits at the institution.⁴²

Over the course of their careers, military families frequently move to installations in different states. This law was passed because veterans who “live in Tennessee” do not necessarily meet the legal requirements of an “in-state student” for higher education purposes. Tennessee’s public colleges and universities can typically charge in-state tuition after students (1) have lived in the state at least one year immediately prior to admission and (2) have graduated from a high school in the state or earned a Tennessee high school equivalency diploma.⁴³

The state law prohibiting out-of-state charges for veterans living in the state, regardless of the length of their residency, places Tennessee in compliance with the federal Veterans Access, Choice, and Accountability Act, signed into law in 2014.⁴⁴ The federal law requires that veterans and their eligible dependents are charged in-state tuition at public colleges and universities or the students will not be allowed to use their GI Bill^{®U} benefits at those campuses. As of November 2015, all 50 states were compliant with the law.

This benefit does not impact state funding; it affects revenues received by the state’s public higher education institutions through the VA and/or the veteran students’ payments. If Tennessee did not comply with the federal law, its public colleges and universities would not be able to receive federal payments through the Post-9/11 GI Bill.⁴⁵ Each Tennessee campus varies in the number of students receiving the out-of-state exemption and the amount of revenue forgone. For example, at MTSU, 173 students were charged in-state, rather than out-of-state, tuition for the Fall 2020 semester because of the residency requirements waived under this provision. MTSU’s tuition revenues were thus reduced by an estimated \$1.6 million.⁴⁶ In another example, UTC reported 75 students were charged the in-state, rather than out-of-state, tuition rate during school year 2019-20, with estimated forgone revenues of about \$491,000.⁴⁷

^U GI Bill[®] is a registered trademark of the U. S. Department of Veterans Affairs (VA). More information about education benefits offered by VA is available at the official U.S. government website at <https://www.benefits.va.gov/gibill>.

TBR's 13 community colleges had 93 students in 2019-20 receiving the out-of-state tuition exemption for at least one semester. The forgone revenue for those students – equivalent to about 40 full-time students – could be calculated as the difference between in-state and out-of-state tuition charges, which vary across campuses.⁴⁸ If students were charged out-of-state tuition, however, federal law would not have authorized use of their VA education benefits for that campus, and the students might have chosen not to attend, possibly resulting in even greater forgone revenues.

Exemption from certain HOPE scholarship requirements

The HOPE Scholarship is established and funded from the net proceeds of Tennessee's lottery program and awarded to entering freshmen who meet certain criteria. Qualified dependent children or spouses of certain eligible veterans or active-duty service members are exempted from three HOPE scholarship requirements:

- at least one year of Tennessee residency immediately prior to scholarship application or renewal,
- graduation from a Tennessee high school, and
- enrollment in a higher education institution within 16 months of high school graduation.⁴⁹

These exemptions are available to dependent children under age 21 or spouses of veterans who:

- are members of the U.S. Armed Services, Reserves, or Tennessee National Guard, who are called into active service and stationed outside the U.S. during hostilities and are serving honorably, or
- were killed in action, died as a result of service-connected injuries, or were officially reported as prisoners of war or missing in action.

Eligible students must meet all other requirements for the HOPE scholarship. No students have qualified for the HOPE scholarship under these military exemptions for at least the past three years (fiscal years 2018 through 2020), and, as a result, there has been no state fiscal impact.

Other education benefits

Higher education course credit equivalencies

Student veterans enrolled in higher education institutions may be eligible to earn college credits for their military training and experience through the prior learning assessments that public colleges and universities are required to perform, both by state law and federal rule.⁵⁰ The amount of college credit granted varies based on each veteran's amount and type of military training and experience and the course equivalencies offered by the college or university. A 2017 revision of the state's Veterans Education Transition Support (VETS) Act required development of an online platform that enables veterans to identify the course credits they could earn for military training and experience from various Tennessee campuses.⁵¹ In 2019, THEC implemented the Tennessee Service Member Opportunity Portal (TN-SOP), through which veterans can identify course credit equivalencies at public higher education institutions in Tennessee.

There is not a state fiscal impact associated with higher education institutions awarding academic credit for prior military training and experience. As with several other higher education benefits, the fiscal impact results from the loss of tuition and fees collected by the higher education institution from the student. Awarding credit to veterans for prior military training or experience is similar to substituting classes from transfer students' prior campuses; while the military or transfer students do not pay to take certain courses at the campus they are enrolled in, the failure of the campus to award credit for past training or previous classes could have deterred them from enrolling and paying for the additional courses they plan to take.

Deferral of tuition and fee payments

Both state and federal law provide that eligible students who are enrolled in public colleges and universities and receive educational benefits from Veterans Affairs, or other government-funded educational assistance, can defer payments of tuition and fees until their financial assistance is received.⁵² Students must apply to their college or university for the payment deferral. There is no cost to the state for such deferrals.

High school diplomas for wartime veterans

Honorary high school diplomas can be issued to veterans whose education was interrupted by service in World War I, World War II, the Korean War, or the Vietnam War. The veteran is not required to be a current Tennessee resident at the time of the diploma request. A surviving spouse or other immediate family member of a deceased veteran can also request the diploma. In 2019, seven honorary high school diplomas were issued by the Tennessee Department of Education and eight were issued in 2018. There are no specific costs to the state to offer this benefit. Diplomas for wartime veterans are offered in 33 other states.

Job-related benefits

Commercial driver license exemption

Under legislation known as Highways for Heroes, passed by the General Assembly in 2013, the road skills test required for a Tennessee Commercial Driver License (CDL) may be waived for qualified military personnel.⁵³ Military applicants, however, are required to pass the applicable CDL knowledge test. Since 2013, a total of 523 veterans have received a waiver for their CDL skills tests. In fiscal year 2019-20, 30 veterans participated, which was a decrease from the 81 who participated in 2019 and 79 in 2018. There are no additional costs to the state to offer this benefit to veterans. Qualified active-duty military personnel who have held a military operator's permit for the preceding two years are eligible for the road skills test waiver. Those eligible include current National Guard and military Reserve personnel, as well as veterans who have been discharged within the last year. At least 20 other states also waive the road skills test for CDLs for qualifying veterans.

School bus endorsement for veterans

In 2019, the state legislature passed an amendment to reduce the age requirement for veterans to obtain a school bus endorsement on their commercial driver license (CDL).⁵⁴ In order to obtain a school bus endorsement, applicants must be at least 25 years old, unless they meet the qualifications for an exemption. Honorably discharged veterans, members of the National Guard or Reserve forces, and licensed teachers employed by school districts can receive an exemption on the age requirement. The waiver allows the qualifying individual to obtain an endorsement at 23 years of age, rather than 25. It is unknown how many, if any, veterans have obtained an exemption for a school bus endorsement because the state does not track Class B license data by specific endorsements or exemption status.

Attendance at Tennessee Law Enforcement Training Academy

The Jerry F. Agee Tennessee Law Enforcement Training Academy (TLETA) was created for the purpose of training police and law enforcement officers in state, municipal, county, and metropolitan jurisdictions. Academy attendance is normally reserved for law enforcement officers who are already hired by a department. Attendance is extended, however, to veterans with a minimum of three years of full-time service in the military, as well as to students in relevant fields of study.⁵⁵ In the past three fiscal years, no veterans have used this option due to the backlog of officers already hired by law enforcement agencies who are required to attend TLETA. If veterans did attend without being hired by a law enforcement agency, there would be no cost or forgone revenue to the state.

Promotion of farmers who are veterans

Department of Agriculture staff participate in meetings of the Tennessee Farmer Veteran Coalition, a nonprofit organization that assists farmer veterans. One of its programs, Homegrown by Heroes, is a branding program to help consumers identify agricultural products produced by military veterans. The department partners with the coalition to ensure that the Homegrown by Heroes logo is included on the department's "Pick Tennessee" agricultural products website listing. The department also assists the Memphis-based nonprofit Agricenter International with its agriculture job training for veterans. There are no specific state costs tied to these partnership efforts.

Tax exemptions

State business tax exemption

Engaging in any vocation, occupation, business, or business activity listed in state law is a taxable privilege subject to the Tennessee business tax. Any person engaging in such activities, including members of the United States military and veterans, is subject to the business tax. Eligible disabled veterans are exempt from the business tax. The value of the exemption depends on each exempt business's sales volume. Eligible disabled veterans and visually impaired owners can submit an affidavit attesting to their eligibility for this exemption to their local county clerk or city recorder. Because the Department of Revenue does not receive or track affidavits, it is unable to determine how many business owners use this exemption.

Under Tennessee law, individuals are exempt from the business tax if they are either (1) a disabled combat veteran, or (2) a peacetime member of the armed forces who was disabled while in regular service, and they:

- own less than \$5,000 of property above any debts on the property;
- do business with a capital stock of no more than \$5,000;
- are citizens of Tennessee and reside in the county where the exemption is claimed; and
- are the sole beneficiaries of the business.⁵⁶

Under limited circumstances, certain individuals may claim the same tax exemption due to blindness. Veterans claiming this exemption cannot also claim the business tax exemption for blindness. For example, a disabled veteran who is also blind may claim either the tax exemption for disabled veterans or the tax exemption for blind individuals, but cannot claim both.

Any business for which the exemption is claimed must be conducted by the qualifying veteran or by a member of the veteran's immediate family. The veteran or family member may not be assisted by more than one person who is not a member of the veteran's family.

Veterans Affairs automobile grant

Effective March 5, 2018, new or used vehicles that are sold, given, or donated to veterans or active-duty service members who have a service-connected disability and who also receive a U.S. Veterans Affairs (VA) automobile grant are exempt from state motor vehicle registration fees, local motor vehicle privilege taxes (i.e., the wheel tax), and any sales taxes on the portion of the vehicle's sales price that exceeds the amount of the VA grant.⁵⁷

Disabilities that qualify a veteran for the automobile grant include the loss, or permanent loss of use, of one or both feet or one or both hands, permanent vision impairment in both eyes to a certain degree, severe burn injury, and a diagnosis of amyotrophic lateral sclerosis (ALS). The automobile grant is paid directly to the seller for a total amount up to \$20,577 toward the vehicle price, and the veteran can receive the grant only once in his or her lifetime. The value of the exemption varies based on the value of the vehicle. The Department of Revenue does not track the number of times this exemption has been used or the amount of forgone revenue to the state.^V At least four other states offer similar tax waivers for vehicles obtained with a VA automobile grant.

^V State law (*TCA 55-4-111*) requires the first one dollar of each motor vehicle registration fee imposed by the state to be credited to the police pay supplement fund, which is used to pay police officers for completing required in-service training. Thus, any waivers of motor vehicle registration fees result in some forgone revenues for the police pay supplement fund.

Health and cultural benefits

Free health clinics for veterans

The Kenneth Harry Hill Tennessee Veterans Health Care Act of 2015 allows for temporary free health clinics to be operated at National Guard armories.⁵⁸ The law provides that the free clinics are available to veterans and others who lack health insurance.^w The clinics are authorized to provide limited primary health care, and services may be offered by a licensed health care provider who is a member of the Tennessee National Guard. As of October 2020, the Department of Military is unaware of any instances where free clinics have been offered.

Community mental health grants

The Department of Mental Health and Substance Abuse Services administers a range of community-based mental health services and supports through grants to local agencies. Many of these crisis, outpatient, peer support, and other services are generally available to all Tennesseans with mental health issues, including veterans. In the General Assembly's 2020 appropriations act, \$700,000 in state community mental health funding was specifically earmarked for Centerstone Military Services to provide counseling to veterans and their families who suffer from post-traumatic stress disorder (PTSD).⁵⁹ Legislative earmarks of state funds for Centerstone PTSD counseling have also been made in each of the past three fiscal years, 2017 through 2019.^x Centerstone is a not-for-profit health system offering community-based mental health and addiction recovery services in five states, including Tennessee, with specialized programs for the military community, among others.

Free death certificates

State law requires the Department of Health's Office of Vital Records to waive fees for the first three copies of a death certificate for a deceased veteran if the person making the request is an eligible family member.⁶⁰ Existing fees for each copy of a death certificate are \$15. Because the vendor application used by the state to track records fees does not track the number of free death certificates provided under this law, the fiscal impact to the state is unknown.

State Museum discounts

State law authorizes the Tennessee State Museum to reduce special event fees or admission charges for honorably discharged veterans and other specified groups.⁶¹ The museum offers free admission to all visitors, and no special event fees were charged during the past three fiscal years, 2018 through 2020. A 10 percent discount for veterans and active-duty military is offered in the museum store. In fiscal year 2018-19, the discount was used 165 times, resulting in \$169 of reduced revenue to the museum, and in fiscal year 2019-20, the discount was used 99 times resulting in \$101 of reduced revenue. The same museum store discount is offered to state employees and Tennessee teachers. The museum presents various exhibits and events related to Tennessee veterans' role in history as part of its broader programming, but no state funds are specifically tied to military-related exhibits.

Veteran recognition

Veteran designation on driver licenses

Tennessee veterans can obtain a veteran designation on their driver license by providing documentation of military service.⁶² In fiscal year 2019-20, 45,621 veteran licenses were issued, an increase from the approximately 42,000 veteran licenses issued in fiscal year 2019. Driver licenses are marked with a symbol or have language on the license that reflects the individual's military service. There are no additional costs

^w Since these clinics have not been offered, the Department of Military was unable to provide clear definitions for how long "temporary" clinics could be available and who the "other persons" are that the clinics serve.

^x The 2016 and 2017 appropriations acts each included earmarks of \$400,000. The 2018 and 2019 appropriations acts both included earmarks of \$700,000.

to veterans or the state to offer the designation because the veteran designation is added during a renewal or replacement of the applicant's driver license. Veteran designations on driver licenses are available in 48 states.

Safekeeping of abandoned Tennessee veteran medals

Abandoned military medals are held by the State Treasurer's Office until the owner or owner's heirs or beneficiaries can be identified for the return of the medal. Military medals include military awards, dog tags, pins, ribbons, and similar items. Medals are held at the Andrew Jackson Building and are returned to identified families via certified mail or arranged pickup. The costs associated with this benefit cannot be easily identified but are minimal. As of August 2020, the State Treasurer is holding 61 various military medals for 11 different owners.

Designation of Blue Star Memorial Highways

The Blue Star highway program began at the close of World War II as a way to honor members of the armed services. Garden clubs chose to beautify sections of state highways as an alternative to erecting monuments. As the idea spread, state garden clubs were asked to seek official collaboration from state highway departments and uniform signage was designed. The original concept was later expanded to honor all men and women who have served in the armed forces.

State law designates the Tennessee portions of Interstate 24, 75, and 81 as Blue Star Memorial Highways, as well as specified segments of:⁶³

- State Highway 40 (U.S. Highway 64)
- State Highway 57 (U.S. Highway 72)
- U.S. Highway 45 West
- U.S. Highway 25 West
- U.S. Highway 641
- State Route 14

The state has not incurred any costs for the designation of the Blue Star highways. At least 27 Blue Star markers have been erected in Tennessee, typically at the expense of private organizations such as local garden clubs.^Y



Veteran protections

Criminal impersonation

A variety of criminal impersonation acts are defined in law, including impersonation of a veteran or active-duty member with the intent to obtain money, property, services, or other tangible benefits.⁶⁴ Such impersonation includes:

- wearing any uniform, rank, medal, device, or insignia of the armed services that has not been earned or awarded;
- fraudulently representing to others or misleading others to believe that a military rank, medal, device, insignia, award, ribbon, or other recognition has been received or earned when it has not; and
- presenting false identification documentation or certification that purports to be issued from the U.S. Department of Defense or the Department of Veterans Affairs.

Criminal impersonation of a veteran under this law is a Class A misdemeanor. Revenues collected from the fines imposed for convictions related to veteran or active-duty military impersonations are to be paid into the

^YOutside the scope of this report on veterans benefits is the TCA 54-1-133 requirement that the Department of Transportation, subject to appropriations by the General Assembly, fund the cost of signage for highways and bridges named in honor of military servicemembers killed in action, among other designated public servants. The department indicated that on average, 10 to 15 persons designated by law are memorialized each year, and the state cost for signage on each highway or bridge is approximately \$300.

general fund. The law states it is the intent of the General Assembly that an amount equal to fine revenues collected from such convictions be allocated to assist with veteran property tax relief, subject to the general appropriations act.^z Any such criminal impersonation cases would be handled by district attorneys general in their individual judicial districts. State costs for prosecuting such cases would be included in the state's general expenditures for district attorneys.

Deceptive advertising

A state law known as the Government Impostor and Deceptive Advertisements Act makes it a violation for someone to use advertising that represents, implies, or is likely to cause confusion that:

- the advertiser is part of any governmental entity when such is not the case;
- the goods, services, or offers advertised have been approved or endorsed by a governmental entity when they have not; or
- the goods, services, or offers advertised are from a governmental entity when they are not.⁶⁵

The law defines governmental entity to include, among others, a "military veteran entity, or a military or veteran service organization by whatever name."

The Tennessee Attorney General's Office (AG's Office) is authorized to investigate potential violations of this law and to enter into settlements for assurances of voluntary compliance or to begin litigation. Violations of the law are considered unfair and deceptive acts or practices affecting the conduct of trade and commerce. In addition to remedies provided for similar violations, courts may order fines and reimbursement to the state for investigation and prosecution expenses. The AG's Office is not aware of any revenues collected from fines or reimbursements under this specific law.

Cases that the AG's Office investigates under the Government Impostor Act cover all types of government entities defined by the law, not solely military- or veteran-connected organizations. The same is true for the activities of the AG's Office on consumer protection cases, which may involve deceptive advertising. In two high profile cases of deceptive practices involving active-duty military (and in one case, veterans), the AG's office entered into settlement agreements that provided restitution to Tennesseans valued at \$1.7 million and \$800,000.⁶⁶ There are no state costs specifically designated for enforcing laws that impact veterans or active-duty military; such enforcement costs are covered in the funding appropriated for the general consumer protection work of the AG's Office.

Non-citizen veterans as police officers

State law provides that a permanent legal resident who is an honorably discharged veteran can be employed as a police officer, provided that such officer applies for or obtains U.S. citizenship within six years of employment.⁶⁷ This statutory provision is the only exception to the citizenship requirement for police officers and overrides any citizenship requirements in private acts or charter provisions. No state funding is associated with its implementation.

Candidate qualifying exemption

State law provides that honorably discharged veterans, as well as members of the National Guard or inactive members of the Reserves, must not be disqualified as candidates of a statewide political party or recognized minor party for any office if they failed to comply with the party's nomination rules due solely to service-related reasons.⁶⁸ This law applies to actions taken by political parties and no state funding is associated with its implementation.

^z Comptroller Tax Relief staff is unaware of additional revenues from fines having been allocated to Tax Relief or referenced in the appropriations act.

Redaction of social security numbers from official records

Tennessee law allows veterans or a designated representative the ability to request a redaction of the veteran's social security number from official military records.⁶⁹ Upon request, the War Records Department, within the Tennessee Department of Military, will redact the veteran's social security number from the official records that are maintained and distributed by the department, if the records are stored in a manner that permits redaction. There is no cost to the state to offer this service because it is considered within the normal scope of duties for the War Records Department. There have been no requests made by veterans or their representatives to redact social security numbers in the last three fiscal years.

Nonrecurring state funding

From time to time, the state appropriates nonrecurring funds for various veteran benefits and services. Such funding discussed in earlier profiles includes a fiscal year 2019-20 appropriation for a veterans treatment court, as well as capital funds to purchase land for new state veterans cemeteries and to build new veterans nursing home facilities. Veteran Reconnect grant funding has been appropriated as nonrecurring funds for several years.

Some smaller nonrecurring appropriations have also been made in the past few years. In fiscal year 2018-19, the General Assembly appropriated a total of \$400,000 for institutions honoring veterans or medal recipients:

- \$50,000 to the Johnson City/Washington County Veterans Museum;
- \$100,000 to the Dyersburg Veterans Museum; and
- \$250,000 to the Charles H. Coolidge Medal of Honor Heritage Center in Chattanooga.⁷⁰

In fiscal year 2019-20, the General Assembly appropriated \$25,000 in nonrecurring funds to the Orange Heart Medal Foundation, a Tennessee-based nonprofit started in 2018 to honor and support Tennessee Vietnam War veterans who were exposed to Agent Orange.⁷¹

Non-state benefits and services for veterans

Non-state benefits include those offered by federal agencies and local governments, as well as those offered by private organizations for veterans such as the American Legion, Disabled American Veterans, AMVETS, United Tennessee Veterans Association, Veterans of Foreign Wars, and Military Order of the Purple Heart. These non-state services were not within the scope of this report and their fiscal impacts were not identified. Some examples of federal and local government benefits, however, are noted here.

Federal level

Federal benefits for veterans are offered by the U.S. Department of Veterans Affairs as well as other federal agencies, such as the U.S. Department of Labor and the U.S. Department of Housing and Urban Development. Some of these benefits include:

Veterans hospitals nationwide provide health care to approximately nine million veterans annually. In Tennessee, the VA operates medical centers in Memphis, Nashville, Murfreesboro, and Mountain Home. Medical care is also offered at 28 outpatient clinics, and readjustment and other counseling services are provided at six community-based centers across Tennessee.

Service-connected disability and death compensation benefits are paid monthly to veterans in recognition of disabilities resulting from disease or injury during active military service and to surviving spouses, dependent children, and dependent parents in recognition of economic loss from the death of a military service member. In federal fiscal year 2019, approximately \$2.3 billion in compensation benefits were paid to Tennessee veterans.⁷²

Education benefits, including tuition, fees, and housing allowance, were provided to more than 13,000 Tennessee veterans in federal fiscal year 2019 through the most current version of the GI Bill (Post-9/11 GI Bill).⁷³ Other education benefits are federally-funded programs administered at the state level, such as Veterans Upward Bound, which granted a total of \$950,000 in program year 2019-20 to three higher education institutions (Austin Peay, East Tennessee State, and the University of Tennessee-Knoxville) to provide veterans with counseling, mentoring, tutoring, and instruction to prepare for postsecondary admissions.

Job assistance benefits, funded by the federal Jobs for Veterans State Grants program and administered by the Tennessee Department of Labor and Workforce Development, were provided to 4,614 veterans in fiscal year 2020, an increase from 4,463 veterans in fiscal year 2019 and 3,934 veterans in fiscal year 2018. Job assistance trends generally follow economic and unemployment trends. The federal grant is also used for outreach to employers to encourage employment of veterans. Another federal grant helps soldiers and spouses transitioning out of the Fort Campbell Army base with training and support services.

Five national veterans cemeteries are located in Chattanooga, Knoxville, Madison, Memphis, and Mountain Home.

Other federally funded programs include home loan guarantees and vocational rehabilitation and employment for veterans with service-connected disabilities.

Local level

Vehicle privilege tax – The motor vehicle privilege tax, commonly known as the “wheel tax,” allows each county to impose a tax on any vehicle operated within the county by county residents. Veterans who are former prisoners of war or have a 100 percent permanent and total service-connected disability are exempt from paying the wheel tax in Tennessee.⁷⁴ Wheel taxes vary among counties. For example, Knox County charges \$36 a year, Shelby County charges \$50 a year, and Crockett County charges \$102.50 a year.

Recording veteran discharges – County registers are required to record military discharges for veterans at no charge. Twenty-one other states offer free recording of veteran discharges.

County veterans services – Most counties have appointed at least one part-time or full-time County Veteran Services Officer (CVSO), a position authorized under state law, with at least 87 counties having a CVSO.⁷⁵ These county officers, funded by the counties, can assist veterans with benefit claims, similar to their state-level counterparts, veteran resource coordinators. To meet federal and state requirements, anyone assisting veterans with benefit claims must be accredited, and the Department of Veterans Services provides the training necessary for accreditation. There is no cost to the counties for accreditation of their CVSOs, but they are responsible for travel, hotel, and related costs to attend training.

Conclusions

A total cost figure for state-funded veterans benefits and services in fiscal year 2019-20, limited to recurring costs that could be calculated, was \$30,318,313. (See Appendix A.) The largest state cost was the state's expenditure for disabled veterans property tax relief. At \$20.9 million in FY 2019-20, it had a larger state fiscal impact than the remaining recurring benefits and services combined.

The next largest cost was the approximately \$6.2 million in state appropriations for the Tennessee Department of Veterans Services in FY 2019-20. The main duties of the department are to provide information and assistance to veterans through its local offices and to maintain and operate the state's veterans cemeteries.

State expenditures for both veterans property tax relief and the Department of Veterans Services have grown over the past three years: tax relief expenditures grew 33 percent between fiscal years 2018 and 2020, and the department's expenditures grew 11 percent during the same period.

Other veteran-related state expenditures are nonrecurring, such as capital appropriations used as matching funds to qualify for federal nursing home construction grants or for land acquisition for nursing homes or state veterans cemeteries. The Veteran Reconnect grants are another example of a veteran-related nonrecurring appropriation. THEC awards these grants, which have averaged approximately \$1.05 million per year over the last three years, to public and private campuses to help improve the ability of higher education institutions to support student veterans.

There are numerous other services and benefits for veterans, most of which result in forgone, or uncollected, state revenues rather than an expenditure of state appropriations. Eight benefits or services for which a cost could be determined involve the waiving or discounting of state fees normally charged to most non-veterans. While estimates of forgone revenues increased for some benefits and declined for others between fiscal year 2019 and fiscal year 2020, the overall increase in forgone revenues was estimated at about 5 percent between fiscal years 2019 and 2020. The benefit programs with direct expenditures increased about 14 percent between the same two years.

All states offer a variety of benefits and services to their veterans. Tennessee's provision of a state-level department for veterans services, veterans cemeteries and nursing homes, property tax relief, veteran specialty license plates and designations on driver licenses, state job hiring preferences, out-of-state tuition exemptions, and discounted rates on hunting and fishing licenses and camping fees are all similarly provided by at least three-fourths of the other states. (See Appendix B.)

Among the three benefits with the highest recurring costs offered in Tennessee, property tax relief is offered by 48 other states, a state-level department of Veteran Services is offered by 39 other states, and while program responsibility may vary, 38 other states provide veterans cemeteries and 20 provide advocacy and claims assistance, and veteran specialty license plates are offered by 48 other states.

Endnotes

- ¹ U.S. Department of Veterans Affairs, *Veterans Benefits Administration Annual Benefits Report, Fiscal Year 2019*, p. 55, <https://benefits.va.gov/REPORTS/abr/docs/2019-abr-v2.pdf#> (accessed July 21, 2020); *Veterans Benefits Administration Annual Benefits Report, Fiscal Year 2015*, p. 55, https://benefits.va.gov/REPORTS/abr/docs/2015_abr.pdf (accessed July 21, 2020).
- ² U.S. Department of Veterans Affairs National Center for Veterans Analysis and Statistics, “State/Territory Summary Reports,” Sept. 30, 2017, Tennessee, p. 3, https://www.va.gov/vetdata/docs/SpecialReports/StateSummaries_Tennessee.pdf (accessed Aug. 7, 2020).
- ³ Boyd Center for Business and Economic Research, Tennessee State Data Center, “Data About Tennessee’s Veterans,” July 8, 2020, p. 1, <https://tnsdc.utk.edu/2020/07/08/u-s-census-bureau-data-about-tennessee-veterans/> (accessed Aug. 6, 2020).
- ⁴ Carole House, Emma Moore, Brent Peabody, and Kayla Williams, *From Sea to Shining Sea: State-Level Benefits for Veterans*, Center for a New American Security, 2019, p. 10, https://www.jstor.org/stable/resrep20418?Search=yes&resultItemClick=true&searchText=veteran&searchText=state&searchText=benefit&searchUri=%2Faction%2FdoBasicSearch%3FQuery%3Dveteran%2Bstate%2Bbenefit%26amp%3Bacc%3Don%26amp%3Bwc%3Don%26amp%3Bfc%3Doff%26amp%3Bgroup%3Dnone&ab_segments=0%2Fbasic_SYC-5055%2Frest&refreqid=search%3Ab1a86f31b2fdeddd5816f9ebb-2b00a38&seq=1#metadata_info_tab_contents (accessed March 9, 2020).
- ⁵ Boyd Center for Business and Economic Research, Tennessee State Data Center, “Data About Tennessee Veterans,” July 2020 newsletter, p. 1, <https://myemail.constantcontact.com/July-2020-News-from-the-Tennessee-State-Data-Center.html?soid=1112524074655&aid=QTyDJC2TfcM> (accessed Aug. 6 2020).
- ⁶ U.S. Census Bureau, *2018: ACS 5-year Estimates Subject Tables [Tennessee][Veterans]*, <https://data.census.gov/cedsci/table?t=Veterans&g=0400000US47&d=ACS%205-Year%20Estimates%20Subject%20Tables&tid=ACSST5Y2018.S2101&hidePreview=true> (accessed Nov. 19, 2020).
- ⁷ Carole House et al., *From Sea to Shining Sea: State-Level Benefits for Veterans*, pp. 11, 13.
- ⁸ *Tennessee Code Annotated* 58-3-104 through 106.
- ⁹ Tennessee Department of Veterans Services, emails, Aug. 7, 2020 and Oct. 2, 2020.
- ¹⁰ Tennessee Department of Veterans Services, email, Aug. 7, 2020.
- ¹¹ Public Chapter 915, 2016; Public Chapter 1017, 2018; and Public Chapter 513, 2019. Note: Columbarium niches are available for interment of cremation urns. The niches were typically offered at a significantly reduced charge from burial plots. When the burial rate was reduced to \$300, charges for the niches were eliminated. The federal reimbursement rate for veteran burials is the same regardless of type of interment.
- ¹² Tennessee Department of Finance and Administration, *Tennessee Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2020*, pp. 218-219, <https://www.tn.gov/content/dam/tn/finance/accounts/cafr/June%2030,%202020%20CAFR.pdf> (accessed Dec. 22, 2020).
- ¹³ U.S. Department of Veterans Affairs, Certification of State Matching Funds to Qualify for Group 1 on the Priority List form, dated July 31, 2018, provided by Tennessee State Veterans’ Homes Board.
- ¹⁴ Tennessee Department of Veterans Services, “Site of Future West Tennessee State Veterans Home Announced,” posted June 29, 2016, <https://www.tn.gov/veteran/news/2016/6/29/site-of-future-west-tennessee-state-veterans-home-announced.html#:~:text=NASHVILLE%20%E2%80%93%20Tennessee%20Department%20of%20Veterans,Executive%20Director%20Ed%20Harries%20formally> (accessed Aug. 28, 2020).
- ¹⁵ Tennessee Veterans’ Homes Board, email, Oct. 5, 2020.
- ¹⁶ *Tennessee Code Annotated* 67-5-701 et.seq.

¹⁷ Comptroller Division of Property Assessments, email, Sept. 17, 2020.

¹⁸ Public Chapter 453, 2015, known as the Criminal Justice Veterans Compensation Act of 2015.

¹⁹ *Tennessee Code Annotated* 16-22-109.

²⁰ Department of Mental Health and Substance Abuse Services officials, interview, Aug. 5, 2020.

²¹ Department of Mental Health and Substance Abuse Services, email, Sept. 3, 2020.

²² Public Chapter 1142, 2008.

²³ Public Chapter 651, 2020.

²⁴ *Tennessee Code Annotated* 8-34-605.

²⁵ *Tennessee Code Annotated* 55-4-204(b) identifies 12 plates that are to be issued free of charge as specified by individual provisions in law. The 12 plates (referred to in law as memorial plates) are Air Force Cross, Air Medal (Valor), Bronze Star (Valor), Disabled Veterans, Distinguished Flying Cross, Distinguished Service Cross, Former Prisoner of War, Gold Star family, Purple Heart, Medal of Honor, Navy Cross, and Silver Star. These plates are issued free of charge for the first plate to eligible veterans or their qualifying family members. Some of the designated plates may be issued to active-duty military. Free plates are also available to enlisted National Guard members under *TCA* 55-4-255(d), but are not included in this data. Also, note that another state law (*TCA* 55-4-111(a)(2)) requires the first one dollar of each motor vehicle registration fee imposed by the state to be credited to the police pay supplement fund, which is used to pay police officers for completing required in-service training. Thus, each free license plate issued to eligible veterans would result in one dollar of forgone revenue for the police pay supplement fund.

²⁶ *Tennessee Code Annotated* 39-17-1351.

²⁷ OREA calculation based on active-duty personnel data from *Governing*, “Military Active-Duty Personnel, Civilians by State,” <https://www.governing.com/gov-data/public-workforce-salaries/military-civilian-active-duty-employee-workforce-numbers-by-state.html> (accessed Oct. 21, 2020).

²⁸ *Tennessee Code Annotated* 70-2-104(a)(2).

²⁹ *Tennessee Code Annotated* 11-3-121(b).

³⁰ *Tennessee Code Annotated* 58-3-112.

³¹ *Tennessee Code Annotated* 49-7-152.

³² *Tennessee Code Annotated* 49-7-1306.

³³ *Tennessee Code Annotated* 71-3-518. Childcare providers licensed by the Department of Human Services include childcare centers serving 13 or more children (2,000 centers), family childcare homes serving between five and seven unrelated children (551 homes), group childcare homes serving between eight and 12 children (488 group homes), and drop-in centers serving 15 or more children for limited hours.

³⁴ *Tennessee Code Annotated* 49-6-101(f)(1)(A).

³⁵ Tennessee Department of Education, email, Sept. 24, 2020.

³⁶ Tennessee Department of Correction, email, Sept. 8, 2020.

³⁷ *Tennessee Code Annotated* 49-7-102.

³⁸ Middle Tennessee State University, email, Aug. 28, 2020.

³⁹ University of Tennessee at Chattanooga, email, Sept. 17, 2020.

⁴⁰ Tennessee Board of Regents, email, Oct. 20, 2020.

⁴¹ *Tennessee Code Annotated* 49-4-704.

⁴² *Tennessee Code Annotated* 49-7-1304.

⁴³ *Tennessee Code Annotated* 49-8-104.

⁴⁴ Public Law 113-146, 2014, Veterans Access, Choice, and Accountability Act of 2014.

⁴⁵ Public Law 110-252, 2008, Post-9/11 Veterans

Educational Assistance Act of 2008 (Title V of the Supplemental Appropriations Act of 2008).

⁴⁶ Middle Tennessee State University, email, Sept. 10, 2020.

⁴⁷ University of Tennessee at Chattanooga, email, Sept. 17, 2020.

⁴⁸ Tennessee Board of Regents, email, Oct. 20, 2020. Note that Tennessee Colleges of Applied Technology (TCATs) do not charge out-of-state tuition or fees.

⁴⁹ *Tennessee Code Annotated* 49-4-928.

⁵⁰ *Tennessee Code Annotated* 49-7-1310(a); U.S. Department of Veterans Affairs, *Code of Federal Regulations*, Title 38, sec. 21.4253, 2020 ed.

⁵¹ Tennessee Higher Education Commission, “THEC Awards Veterans Reconnect Grants to Tennessee Colleges,” posted Aug. 8, 2018, <https://www.tn.gov/thec/news/2018/8/8/the-c-awards-veterans-reconnect-grants-to-tennessee-colleges.html> (accessed Aug. 13, 2020).

⁵² *Tennessee Code Annotated* 49-7-104; U.S. Public Law 115-407, 2018, Veterans Benefits and Transition Act of 2018, Section 103.

⁵³ *Tennessee Code Annotated* 55-50-322 (a)(2)(B).

⁵⁴ *Tennessee Code Annotated* 55-50-302 (d).

⁵⁵ *Tennessee Code Annotated* 38-8-201 (b).

⁵⁶ *Tennessee Code Annotated* 67-4-712 (a)(2).

⁵⁷ Public Chapter 541, 2018.

⁵⁸ *Tennessee Code Annotated* 63-6-710.

⁵⁹ Public Chapter 651, 2020, p. 31.

⁶⁰ *Tennessee Code Annotated* 68-3-207.

⁶¹ *Tennessee Code Annotated* 4-12-111.

⁶² Public Chapter 337, 2011.

⁶³ *Tennessee Code Annotated* 54-5-1001.

⁶⁴ *Tennessee Code Annotated* 39-16-301.

⁶⁵ *Tennessee Code Annotated* 47-18-131(c)(1)(B) and (c)(2).

⁶⁶ Tennessee Attorney General’s Office, “Attorney General Announces \$133 Million Settlement with USA Discounters,” posted Sept. 30, 2016, <https://www.tn.gov/attorneygeneral/news/2016/9/30/pr16-16.html> (accessed Oct. 14, 2020) and “AG Slatery Reaches Settlement with Harris Jewelers,” posted June 9, 2020, <https://www.tn.gov/attorneygeneral/news/2020/6/9/pr20-25.html> (accessed Oct. 14, 2020).

⁶⁷ *Tennessee Code Annotated* 38-8-106 and 38-8-105(d).

⁶⁸ *Tennessee Code Annotated* 2-13-115.

⁶⁹ *Tennessee Code Annotated* 58-4-103. The designated representative includes the veteran’s surviving spouse, attorney-in-fact, personal representative, or court appointed guardian.

⁷⁰ Office of Legislative Budget Analysis, *110th General Assembly Budget Summary Session Report*, 2018, pp. 11-2, <http://www.capitol.tn.gov/Archives/Joint/staff/budget-analysis/docs/FY%2018%2019%20Post%20Session%20Summary%205%2011.pdf> (accessed Nov. 11, 2020).

⁷¹ Office of Legislative Budget Analysis, *111th General Assembly Budget Summary Session Report*, 2019, p. 11, <http://www.capitol.tn.gov/Archives/Joint/staff/budget-analysis/docs/FY%2019%2020%20post%20session%20summary.pdf> (accessed Nov. 11, 2020).

⁷² U.S. Department of Veterans Affairs, *Veterans Benefits Administration Annual Benefits Report, Fiscal Year 2019*, p. 55, <https://benefits.va.gov/REPORTS/abr/docs/2019-abr-v2.pdf#> (accessed July 21, 2020).

⁷³ U.S. Department of Veterans Affairs, *Veterans Benefits Administration Annual Benefits Report, Fiscal Year 2019*, p. 150, <https://benefits.va.gov/REPORTS/abr/docs/2019-abr-v2.pdf#> (accessed July 21, 2020). Note that active-duty service members are also eligible to use this benefit.

⁷⁴ *Tennessee Code Annotated* 5-8-102.

⁷⁵ *Tennessee Code Annotated* 58-3-109.

Appendix A: State costs for veterans benefits and services

| Recurring state costs | | | FY 2017-18 | | FY 2018-19 | | FY 2019-20 | |
|--|---|---------------------------|-----------------------|--------------|-----------------------|--------------|-----------------------|----------------------------|
| Agency | Benefit | Type of cost to the state | Participants | Cost | Participants | Cost | Participants | Cost |
| Tennessee Comptroller of the Treasury | property tax relief | expenditures | 14,819 | \$15,742,199 | 16,584 | \$17,555,582 | 19,329 | \$20,872,114 |
| Department of Veterans Services | all department activities | expenditures | undetermined | \$5,538,600 | undetermined | \$5,902,200 | undetermined | \$6,156,226 ^(a) |
| Department of Revenue | free veteran-related plates | forgone revenue | 38,909 ^(f) | \$1,031,089 | 40,522 ^(f) | \$1,073,833 | 44,440 ^(f) | \$1,177,660 |
| Department of Mental Health and Substance Abuse Services | community mental health PTSD counseling | earmarked expenditure | n/a | \$400,000 | n/a | \$700,000 | n/a | \$700,000 |
| Department of Mental Health and Substance Abuse Services | veterans treatment courts | expenditures | 420 | \$430,000 | 452 | \$430,000 | 418 | \$630,000 ^(b) |
| Tennessee Higher Education Commission | Helping Heroes Grant | expenditures | 419 | \$644,500 | 424 | \$667,000 | 287 | \$414,522 |
| Tennessee Wildlife Resource Agency | discounted hunting and fishing licenses ^(c) | forgone revenue | 1,253 | \$195,468 | 1,319 | \$205,764 | 1,341 | \$209,196 |
| Department of Safety and Homeland Security | handgun permit discounts | forgone revenue | 5,283 | \$184,905 | 4,418 | \$154,630 | 3,741 | \$130,935 |
| Department of Environment and Conservation | discounted camping rates for disabled veterans ^(d) | forgone revenue | n/a | n/a | n/a | n/a | 219 | \$10,052 |
| Department of Environment and Conservation | discounted camping rates | forgone revenue | 138 | \$7,165 | 183 | \$9,934 | 232 | \$10,042 |
| State Treasurer's Office | retirement system credit ^(e) | forgone revenue | undetermined | \$14,397 | undetermined | \$23,512 | undetermined | \$5,906 |
| Department of Environment and Conservation | Veterans Day free greens fees | forgone revenue | 100 | \$2,403 | 14 | \$316 | 63 | \$1,197 |
| Department of Environment and Conservation | Veterans Day free camping | forgone revenue | 24 | \$596 | 20 | \$497 | 14 | \$362 |
| Tennessee State Museum | museum store discount | forgone revenue | n/a | n/a | 165 | \$169 | 99 | \$101 |
| Totals | | | \$24,191,322 | | \$26,723,437 | | \$30,318,313 | |

| Nonrecurring state costs | | | FY 2017-18 | FY 2018-19 | FY 2019-20 |
|---|---|---------------------------|--------------|-------------|--|
| Agency | Benefit | Type of cost to the state | Cost | Cost | Cost |
| Tennessee State Veterans' Homes Board | nursing homes | expenditures | \$18,000,000 | \$3,000,000 | conversion of FY 18 cash appropriations to a bond appropriation (total \$18 million) |
| Tennessee Higher Education Commission | Veteran Reconnect Grants for campuses ^(g) | expenditures | \$811,177 | \$1,334,000 | \$1,000,000 |
| Department of Mental Health and Substance Abuse Services | veterans treatment courts | expenditures | | | \$37,000 |
| Department of Veterans Services | FY 19 - cemetery land purchase FY 20 - additional resource coordinator positions | expenditures | | \$600,000 | \$38,500 |
| Johnson City/Washington County Veterans Museum | honor/recognition | expenditures | | \$50,000 | |
| Dyersburg Veterans Museum | honor/recognition | expenditures | | \$100,000 | |
| Charles H. Coolidge Medal of Honor Heritage Center in Chattanooga | honor/recognition | expenditures | | \$250,000 | |
| Orange Heart Medal Foundation | honor/recognition | expenditures | | | \$25,000 |

Notes:

- (a) FY 2020 costs for the Department of Veteran Services included \$38,500 in nonrecurring costs to fund new veterans resource coordinator positions, reported in table of nonrecurring costs.
- (b) FY 2020 costs for veterans treatment courts included \$37,000 in nonrecurring funds, reported in table of nonrecurring costs.
- (c) Forgone revenue estimates used in this table for discounted hunting and fishing licenses are based on OREA's calculation of the annual license rates applied only to new licenses issued in FY 20. TWRA calculates forgone revenue of \$1,445,486 using a different method.
- (d) No FY 2018 and FY 2019 data are available because the benefit was not available until FY 2020.
- (e) TCRS costs are estimated based on average state employee salaries, not the actual salary of the employee receiving the credit.
- (f) Reflects the number of free plates issued, not necessarily the number of veteran participants.
- (g) The 2020 funds were earmarked but had not been awarded as of December 2020.

Sources: State budgets, appropriation acts, and state agency data for multiple years.

Appendix B: Benefits and services in Tennessee compared to other states

| Agency | Benefit | Total number of states with similar benefits (includes TN) | Percent of states with similar benefits |
|--|--|--|---|
| State Veterans' Homes Board | veterans nursing homes | 50 | 100% |
| State of Tennessee | veteran hiring preference for state jobs | 50 | 100% |
| Higher education institutions | out-of-state tuition exemption | 50 | 100% |
| Tennessee Comptroller of the Treasury | property tax relief | 49 | 98% |
| Department of Revenue | veteran license plates | 49 | 98% |
| Tennessee Wildlife Resource Agency | discounted hunting and fishing licenses | 48 | 96% |
| Department of Safety and Homeland Security | veteran designation on driver licenses | 48 | 96% |
| Department of Environment and Conservation | discounted camping rates | 43 | 86% |
| Department of Veterans Services | state level department for veterans services | 40 | 80% |
| Department of Veterans Services | veterans cemeteries | 39 | 78% |
| Higher education institutions | tuition and fee waivers for veteran dependents | 37 | 74% |
| Tennessee Department of Education | high school diplomas for wartime veterans | 34 | 68% |
| Tennessee Higher Education Commission | Helping Heroes Grant | 30 | 60% |
| Tennessee Department of Correction | veterans correctional housing units | 27 | 54% |
| Department of Safety and Homeland Security | waiver for CDL road skills test | 21 | 42% |
| Department of Veterans Services | veterans advocacy and claims assistance | 21 | 42% |
| Tennessee Housing Development Agency | home loans for veterans | 22 | 44% |
| State Treasurer's Office | retirement system credit | 16 | 32% |
| Department of Mental Health and Substance Abuse Services | veterans treatment courts | 9 | 18% |
| Department of Safety and Homeland Security | handgun permit discounts | 7 | 14% |
| Department of Revenue | VA automobile grant tax exemption | 5 | 10% |
| Tennessee Higher Education Commission | state grants for higher education campus veterans programs | 3 | 6% |

Note: The number of states are those identified with benefits similar to Tennessee. It is not intended to be an exhaustive list of all benefits offered by all states. Sources: U.S. Army, *My Army Benefits: The official military benefits website of the U.S. Army*, <https://myarmybenefits.us.army.mil/Benefit-Library/State/Territory-Benefits> (accessed Aug. 28, 2020); Carole House, Emma Moore, Brent Peabody, and Kayla Williams, *From Sea to Shining Sea: State-Level Benefits for Veterans*, Center for a New American Security, 2019; and other sources available by request.



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