



*Analysis of Veterans
Employment and Training
Services Program*

Fiscal Years 2020-21, 2021-22, and 2022-23

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EXECUTIVE SUMMARY

Background and Purpose

Legislation enacted in 2013 and revised in 2014 directs the Office of Economic and Demographic Research (EDR) and the Office of Program Policy Analysis and Government Accountability (OPPAGA) to analyze and evaluate state economic development incentive programs on a recurring three-year schedule.¹ EDR is required to evaluate the economic benefits of each program, using project data from the most recent three-year period, and to provide an explanation of the model used in its analysis and the model's key assumptions. Economic Benefit is defined as "the direct, indirect, and induced gains in state revenues as a percentage of the state's investment" – which includes "state grants, tax exemptions, tax refunds, tax credits, and other state incentives."² EDR's evaluation also requires identification of jobs created, the increase or decrease in personal income, and the impact on state Gross Domestic Product (GDP) for each program.

For this report, there are two initiatives included within the general reference to the Veterans Employment and Training Services Program: the Veterans Florida Workforce Training Grants and the Veterans Florida Entrepreneurship Program. The review period covers Fiscal Years 2020-21, 2021-22, and 2022-23. This is EDR's third evaluation of these programs.³

Explanation of Return-on-Investment

In this report, the term "Return on Investment" (ROI) is synonymous with economic benefit and is used in lieu of the statutory term. This measure does not address issues of overall effectiveness or societal benefit; instead, it focuses on tangible financial gains or losses to state revenues. As such, it is ultimately conditioned by the state's tax policy.

The ROI is developed by summing state revenues generated by a program less state expenditures invested in the program, and dividing that calculation by the state's investment. It is most often used when a project is to be evaluated strictly on a monetary basis, and externalities and social costs and benefits—to the extent they exist—are excluded from the evaluation. The basic formula is:

$$\frac{(\text{Increase in State Revenue} - \text{State Investment})}{\text{State Investment}}$$

Since EDR's Statewide Model⁴ is used to develop these computations and to model the induced and indirect effects, EDR can simultaneously generate State Revenue and State Investment from the model so all feedback effects mirror reality. The result (a net number) is used in the final ROI calculation.

As used by EDR for this analysis, the returns can be categorized as follows:

¹ Section 288.0001, F.S. In the 2025 Florida Statutes, 18 programs are specified. This analysis is based on s. 288.0001(2)(c)6, F.S.: "The program established under s. 295.22(3)". That reference is to the Veterans Employment and Training Services Program.

² Section 288.005(1), F.S.

³ The previous reports can be found at EDR's website: <http://edr.state.fl.us/Content/returnoninvestment/>

⁴ See the Methodology section for a description of the Statewide Model.

- **Greater Than One (>1.0)**...the program more than breaks even; the return to the state produces more revenues than the total cost of the investment.
- **Equal To One (=1.0)**...the program breaks even; the return to the state in additional revenues equals the total cost of the investment.
- **Less Than One, But Positive (+, <1)**...the program does not break even; however, the state generates enough revenues to recover a portion of its cost of the investment.
- **Less Than Zero (-, <0)**...the program does not recover any portion of the investment cost, and state revenues are less than they would have been in the absence of the program. This typically occurs because taxable activity is shifted to non-taxable activity.

The numerical ROI can be interpreted as return in tax revenues for each dollar spent by the state. For example, a ROI of 2.5 would mean that \$2.50 in tax revenues is received back from each dollar spent by the state.

The basic formula for ROI is always calculated in the same manner, but the inputs used in the calculation can differ depending on the needs of the investor. Florida law requires the return to be measured from the state's perspective as the investor, in the form of state tax revenues.

Evaluation Considerations

EDR is charged with evaluating the Workforce Training Grants and Entrepreneurship Program in the same way it evaluates other state economic development programs. To enable this evaluation, Veterans Florida provided related state program expenditures and project information regarding the economic output generated by recipient businesses, primarily from job creation and increases in business revenue.

As with previous evaluations, EDR's approach to the calculation of ROI is based on the net economic impact rather than the gross economic activity generated by or attributed to program projects. The impact is due to new economic activity induced by a state subsidy after taking account of what would have occurred in the absence of this particular investment. EDR employs various approaches to isolate the new economic activity, including an assessment of the "but-for" assertion⁵ and culling "Market and Resource Dependent" projects.⁶ The resulting net economic benefit may then be proportionately attributed to all project contributors. Culling "Market and Resource Dependent" projects and proportionally attributing the economic benefit are strategies used to derive a credible estimate of a program's ROI.

To the extent it exists, the new activity generated by or attributed to Veterans Florida Workforce Training Grants and Entrepreneurship Program would include job creation, wage growth of trained

⁵ This is the claim that "but for" the program subsidy, the initiation of economic activity would not have otherwise occurred – the incentive is the primary, or at least the determining factor, in business decisions. For the Veterans Florida Workforce Training Grants, EDR does not consider whether employment of training-subsidized veterans displaces employment of similarly situated non-veterans, which would negate the "but for" assertion and the associated economic benefit of the subsidy.

⁶ Culling refers to removing the economic benefit of a particular project if it is determined to rely on Florida's markets or resources and would have existed in Florida in the absence of the incentive. These are projects where the business' clients are predominantly based in Florida or the business is dependent on Florida's resources to produce its products or services. General examples of market dependent projects include retail establishments and distribution centers. Any new activity induced by the incentives simply displaces other employment and economic activity that would have occurred in the absence of the incentive. There is no net economic expansion, as one of two events occurs: (1) existing businesses shed jobs as their market share decreases; or (2) a competitor that would have filled the same vacuum without receiving an incentive is displaced. In these cases, neither economic benefits nor a return to the state should be assigned to the projects.

employees, and business capital investment associated with construction, renovation or purchase of equipment.

The statutory purpose and design of a program are also key considerations in its evaluation. The stated purpose of the Workforce Training Grants and Entrepreneurial Program is to “...assist in tailoring the training of veterans and their spouses to match the needs of the employment marketplace, and enhance the entrepreneurial skills of veterans and their spouses.”⁷ There are likely benefits to businesses and individuals participating in these programs that are by-products of the economic development incentives, but do not contribute directly to the state’s revenues.⁸ Because of this, the ROI is but one measure of program success.

Overall Results and Conclusions

The Veterans Florida’s Workforce Training Grants initiative provides funding to assist veterans in meeting the workforce-skill needs of businesses “seeking to hire, promote or generally improve specialized skills of veterans...”⁹ These grants reimburse qualified employers up to fifty percent of industry skills-based training costs for new or current resident full-time employees with veteran status. Each grant provides a maximum of \$8,000 per trainee.

As a stand-alone initiative, the Veterans Florida’s Workforce Training Grants fails the “but for” test—meaning that absent the existence of this program, trainees would still have the same wages and employment opportunities. This is because the program duplicates other programs that are equally available to the trainees. The previous evaluations for the Workforce Training Grants have ended at this point; however, the Workforce Training Grants and Entrepreneurship Program began operating from a single appropriation in FY 2022-23. This suggests that the two initiatives should be combined into a single calculation of return on investment.

Even holding the “but-for” test in abeyance, the Veterans Florida’s Workforce Training Grant would not result in a positive ROI, primarily because these grants are not conditioned upon creation of new jobs or increased productivity. Further, most training grants are for low-to-mid-wage jobs—the wages least likely to increase after the training is completed. The rationale for eliminating the “but-for” test is also weak; by omission, it implies that Veterans Florida’s Workforce Training Grants are providing assistance to a subgroup of veterans that is not available by any other means. For these reasons, the analysis shifts the focus to Veterans Florida’s more general purpose by treating the training grant value as a direct subsidy to the recipient businesses, with no other economic purpose.

The Entrepreneurship Program offers tuition-free, online and on-campus instruction to qualified veterans. In this respect, the program features several opportunities to meet the needs of veteran entrepreneurs at different stages of their entrepreneurial journey.”¹⁰ The first pathway makes available an on-going, self-paced, online introduction to entrepreneurship. Other pathways offer periodic workshops and networking events, as well as more intensive instruction and mentoring to facilitate the

⁷ Section 295.21(2), F.S.

⁸ Economic development incentives are public subsidies intended to induce an economic activity or capital investment by a private business in a jurisdiction in which such activity or investment would not otherwise take place. For these programs, there is no pre-award assessment of the “but-for” assertion, and evaluation of potential job creation or capital investment and projected ROI to the state. For a discussion of other factors affecting ROI, see EDR’s PowerPoint Presentation “Return on Investment in Florida Practice” http://edr.state.fl.us/Content/returnoninvestment/ROI_InFloridaPractice.pdf

⁹ Section 295.22(3)(d), F.S.

¹⁰ Veterans Florida 2022 Annual Report, p. 13. [FIFV Annual Report 2022 \(veteransflorida.org\)](http://www.veteransflorida.org).

establishment or growth of a new business. While the first pathway may accomplish meaningful program objectives, EDR's analysis is limited to the users of the subsequent pathways, where measurable economic activity is captured and reported by Veterans Florida.

The combined impact of state investments for Workforce Training Grants and the Entrepreneurship Program is a negative ROI of -0.34. That is, the combined program does not recover any portion of the state's investment, and state revenues are less than they would have been in its absence—even after using generous assumptions. Although personal income, real gross domestic product, employment and population recorded slight improvements, the state's funds could alternatively be invested in the state's market basket of public goods which has a higher overall multiplier.

It is important to note that the statutory purpose and design of a program are also key considerations in its evaluation. A portion of the stated purpose of Florida Is For Veterans, Inc., is to "...assist in tailoring the training of veterans and their spouses to match the needs of the employment marketplace, and enhance the entrepreneurial skills of veterans."¹¹ There are likely benefits to participating businesses and individuals that are by-products of these initiatives, but do not contribute directly to the state's revenues. Because of this, the ROI is but one measure of program success.

¹¹ Section 295.21(2), F.S.

OVERVIEW OF VETERANS FLORIDA’S WORKFORCE TRAINING GRANTS AND ENTREPRENEURSHIP PROGRAM

Veterans Florida

In 2014, Veterans Florida¹² was created as a nonprofit corporation within the Florida Department of Veterans’ Affairs. Today, its purpose is to:

“...serve as the state’s initial point of military transition assistance dedicated to promoting Florida as a veteran-friendly state helping to provide veterans and their spouses with employment opportunities and promoting the hiring of veterans and their spouses by the business community. The corporation shall encourage retired and recently separated military personnel to remain in this state or to make this state their permanent residence. The corporation shall promote the value of military skill sets to businesses in this state, assist in tailoring the training of veterans and their spouses to match the needs of the employment marketplace, and enhance the entrepreneurial skills of veterans and their spouses.”¹³

Veterans Florida is governed by a 11-member board of directors appointed by the Governor, the President of the Senate, and the Speaker of the House of Representatives. These members and corporation staff are subject to statutory standards of conduct for public officers, restrictions on employment of relatives, and voting conflicts. The corporation is subject to the statutory provisions relating to public records and meetings.¹⁴

As part of its duties, Veterans Florida is required to administer the Veterans Employment and Training Services (VETS) program. Since 2014, the law governing VETS (s. 295.22, F.S.) has been amended eight times.¹⁵ Today, it requires Veterans Florida to:

- Conduct marketing and recruiting efforts directed at individuals within the target market who reside in or have an interest in relocating to this state and who are seeking employment;
- Assist individuals in the target market who reside in or relocate to this state and who are seeking employment with target industry or secondary industry businesses;
- Assist Florida target industry and secondary industry businesses in recruiting and hiring individuals in the target market;
- Create a grant program to provide funding to assist individuals in the target market in meeting the workforce-skill needs of target industry and secondary industry businesses seeking to hire, promote, or generally improve specialized skills of veterans;¹⁶

¹² Veterans Florida is the “doing business as” name of Florida Is For Veterans, Inc., the corporation designated in Section 295.21(1), F.S, as created in s. 12, Ch. 2014-01, L.O.F.

¹³ Section 295.21(2), F.S. *Also see* [About Us - Veterans Florida](#)

¹⁴ Section 295.21(4), F.S.

¹⁵ See specific Laws of Florida: s. 10, Ch. 2015-98, L.O.F; s. 4, Ch. 2018-7, L.O.F; s. 2, Ch. 2021-66, L.O.F; s. 2, Ch. 2021-85, L.O.F; s. 4, Ch. 2023-161, L.O.F; s. 123, Ch. 2023-173, L.O.F; s. 3, Ch. 2024-251, L.O.F; and s. 6, Ch. 2025-146, L.O.F. Perhaps most importantly, spouses were first added by Ch. 2023-161, L.O.F., which took effect on July 1, 2023.

¹⁶ Hereafter referred to as Workforce Training Grants.

- Contract with one or more entities to administer an entrepreneur initiative program for individuals in the target market in this state which connects business leaders in the state with such individuals seeking to become entrepreneurs;¹⁷ and
- Administer a SkillBridge initiative for target industry and secondary industry businesses in this state and for eligible individuals in the target market who reside in, or who wish to reside in, this state.

Within the three-year review period, the Legislature appropriated \$5.3 million to Veterans Florida for these programs and related administration.

Veterans Florida Workforce Training Grants

The Veterans Florida Workforce Training Grants initiative provides “funding to assist individuals in the target market in meeting the workforce-skill needs of target industry and secondary industry businesses seeking to hire, promote, or generally improve specialized skills of veterans...”¹⁸ These grants reimburse employers fifty percent of the training costs for qualifying individuals, subject to a maximum award of \$8,000 per trainee.¹⁹

Preference is given to target and secondary industry businesses.²⁰ Veterans Florida may further prioritize grant funds used for a certificate, license, or nondegree training from the Master Credentials List; any federally created certifications or licenses; and any skills-based industry certifications or licenses deemed relevant or necessary by the organization. Such funds may be allocated only upon a review that includes, but is not limited to, documentation of accreditation and licensure. Grants are only awarded in the absence of available veteran-specific federally funded programs.

Allocation of the grant is contingent upon a grant agreement which identifies the instructors, includes a description of the instructional program, and any vendors used to conduct the instructional program. The agreement must also identify the duration of the program, and all direct, training-related costs. Finally, the agreement must include “permission to access aggregate information specific to the wages and performance of participants upon the completion of instruction for evaluation purposes... provided that any evaluation published subsequent to the instruction will not identify the employer or any individual participant.”²¹

A business may receive a grant under any state program and a Workforce Training Grant for the same veteran trainee.²²

¹⁷ Hereafter referred to as the Entrepreneurship Program.

¹⁸ Section 295.22(4)(d), F.S. A veteran employee for the purposes of the grant program is defined as an individual who is eligible to legally work in the U.S.; is a Florida resident working at a physical location in Florida; and has verifiable military service with a DD-214 or is a current or former member of the Florida National Guard with authorizing credentials. See “Veterans Florida Business Training Grants Standard Operating Procedures,” 2016:3.

¹⁹ Prior to FY 2018-19, a training grant could be awarded for up to 48 months and was limited to new hires. *Also see [FIFV Annual Report 2022 \(veteransflorida.org\)](#)*, p. 10.

²⁰ A “Targeted industry business” is designated by the Department of Commerce pursuant to the statutory parameters in s. 288.005(7), F.S. A “Secondary industry business” is defined in s. 295.22(2)(a) as “a business that the state has an additional interest in supporting and for which veterans and their spouses may have directly transferable skills. Such businesses are in the fields of health care, agriculture, commercial construction, education, law enforcement, and public service.”

²¹ Section 295.22(4)(d)3.e., F.S.

²² Section 295.22(4)(d)4., F.S.

Veterans Florida Entrepreneurship Program

The Veterans Florida Entrepreneurship Program offers tuition-free, online and on-campus instruction to qualified veterans and their spouses.²³ The program “features several pathways to meet the needs of veteran entrepreneurs at different stages of their entrepreneurial journey.”²⁴

The first program pathway uses a self-paced, web-based system to familiarize veterans at the early stages of contemplating entrepreneurship with basic terminology and concepts and “acts as a gateway to the second and third pathways.”²⁵ Subsequent pathways are implemented by competitively selected Florida-based “Network Partners” under contract with Veterans Florida. In the past, these entities were required to be public or private universities with military and veteran resource centers and regional partners of the Florida Small Business Development Center Network. In 2018 the law was amended to remove these requirements, which allows a wider range of service providers.²⁶

Network Partners offer workshops on how to use common accounting software and social media marketing. Partners also offer cohort-based entrepreneurship courses for “intensive study in entrepreneurship for veteran entrepreneurs with vetted business ideas or young companies that need to accelerate growth.” Network Partners are encouraged “to include mentorship opportunities from business and community leaders, successful entrepreneurs and other professionals” in the courses and have relationships with business incubators and co-working spaces to assist program participants. They are also required to collect and submit information about the veteran applicants, students, and their businesses, administer student satisfaction surveys, and provide other information as requested by Veterans Florida.²⁷

Together, these pathways offer “a pipeline for veteran entrepreneurs to take a business idea from conception through execution and scalability.”²⁸

²³ Section 295.22(4)(e), F.S. Program participants must be a part of the “target market” in this state, which means servicemembers of the United States Armed Forces who have 24 months or less until discharge, veterans with 36 months or less since discharge, and members of the Florida National Guard or reserves. The term includes spouses of such individuals as well as surviving spouses of such individuals who have not remarried.

²⁴ Veterans Florida 2020 Annual Report, p. 13. [2019-20-Annual-Report.pdf \(veteransflorida.org\)](https://www.veteransflorida.org/2019-20-Annual-Report.pdf).

²⁵ *Ibid.* This tier was temporarily discontinued in FY 2019-20.

²⁶ Section 4, Ch. 2018-7, L.O.F.

²⁷ Veterans Florida ITN for the Veterans Florida Entrepreneurship Program Network Partner, 2019, p. 3.

²⁸ *Ibid.*, p. 4.

DESCRIPTION OF THE DATA

The analysis relies on the General Appropriations Acts for the 2020-21, 2021-22 and 2022-23 fiscal years, as well as expenditure data provided by Veterans Florida. In total, the Workforce Training Grants initiative and the Entrepreneurship Program received \$5.34 million in appropriations during the review period. Veterans Florida reported combined expenditures of \$5.22 million.

For the Veterans Florida **Workforce Training Grants** initiative, Veterans Florida provided the following information for the 2020-21, 2021-22, and 2022-23 fiscal years:

- The Business Name and Address of grant recipients.
- An anonymized list of individual trainees completing training and for which final payments were made by Veterans Florida to the employing business, which included:
 - Type of training provided;
 - Dates training started and completed;
 - Trainee pre-training wages;
 - Trainee post-training wages;
 - Veterans Florida Payment to business for training; and
 - The amount (dollar value) of business match to qualify for Veterans Florida payment.
- The amount of payments for grants, the amount of funds used by Veterans Florida to administer the program, and the amount carried-over into the next year.

For the Veterans Florida **Entrepreneurship Program**, EDR received a list of program graduates, as well as the following information for each graduate who started or grew a business during the review period:

- Business identifying information.
- Date business began operation.
- Range for total capital investments.
- Range for yearly revenue.
- Range for number employees hired and yearly payroll.

Veterans Florida reported that 1,515 veterans used services through Network Partners in FYs 2020-21, 2021-22, and 2022-23. Veterans Florida also provided survey responses from these completers. These responses sometimes had completed fields for the associated business, revenues, total investments and the number and average wages of employees hired.

METHODOLOGY

Statewide Model

EDR used the Statewide Model to evaluate the economic impact of the programs under review. The Statewide Model is a dynamic computable general equilibrium (CGE) model that simulates Florida's economy and government finances.²⁹ The Statewide Model is enhanced and adjusted each year to reliably and accurately model Florida's economy. These enhancements include updating the base year the model uses, as well as adjustments to how the model estimates tax collections and distributions.³⁰

Among other things, the Statewide Model captures the indirect and induced economic activity resulting from the Florida incentive programs. This is accomplished by using large amounts of data specific to the Florida economy and fiscal structure. Mathematical equations³¹ are used to account for the relationships (linkages and interactions) between the various economic agents, as well as likely responses by businesses and households to changes in the economy.³² The model also has the ability to estimate the impact of economic changes on state revenue collections and state expenditures in order to maintain a balanced budget by fiscal year.

When using the Statewide Model to evaluate incentive programs, the model is shocked³³ using static analysis to develop the initial or direct effects attributable to the projects funded by the program. In this analysis, the annual direct effects are different for each program.

The Workforce Training Grants direct effects ("shocks") are:

- Removal of the costs from the state budget.
- Treatment of grant value as a direct subsidy to the recipient businesses.

The Entrepreneurship Program direct effects ("shocks") are:

- Removal of the costs from the state budget.
- Increased output based on the change in revenue reported by survey respondents.

After the direct effects are developed and estimated, the model is then used to estimate the additional—indirect and induced—economic effects generated by the program, as well as the supply-side responses to the new activity, where the supply-side responses are changes in investment and labor demand arising from the new activity. Indirect effects are the changes in employment, income, and output by local supplier industries that provide goods and services to support the direct economic activity. Induced effects are the changes in spending by households whose income is affected by the direct and indirect activity.

²⁹ The statewide economic model was developed using GEMPACK software with the assistance of the Centre of Policy Studies (CoPS) at Monash University (Melbourne, Australia).

³⁰ The base year for the 2024 reports is 2018.

³¹ These equations represent the behavioral responses to economic stimuli – to changes in economic variables.

³² The business reactions simulate the supply-side responses to the new activity (e.g., changes in investment and labor demand).

³³ In economics, a shock typically refers to an unexpected or unpredictable event that affects the economy, either positively or negatively. In this regard, a shock refers to some action that affects the current equilibrium or baseline path of the economy. It can be something that affects demand, such as a shift in the export demand equation; or, it could be something that affects the price of a commodity or factor of production, such as a change in tax rates.

All of these effects can be measured by changes (relative to the baseline) in the following outcomes:

- State government revenues and expenditures
- Jobs
- Personal income
- Florida Gross Domestic Product
- Gross output
- Household consumption
- Investment
- Population

EDR's calculation of the Return on Investment (ROI) used the model's estimate of net state revenues and expenditures. Other required measures for this report include the number of jobs created, the increase or decrease in personal income, and the impact on gross domestic product, all of which are included in the model results.

KEY ASSUMPTIONS

The following general assumptions are used in the Statewide Model to determine the outcomes of the programs under review. Some of the assumptions are used to resolve ambiguities in the literature, while others conform to the protocols and procedures adopted for the Statewide Model.

1. The analysis assumes all data provided by Veterans Florida and other entities is complete and accurate. The data was not independently audited or verified by EDR.
2. The analysis assumes, given the time span under review, applying discount rates would not prove material to the outcome.
3. The analysis assumes the state's budgetary allocation for the programs is a redirection from the general market basket of goods and services purchased by the state. Similarly, any revenue gains from increased business activities are fully spent by the state.
4. The analysis assumes the relevant geographic region is the whole state, not individual counties or regions. The Statewide Model does not recognize that any economic benefit arises from intrastate relocation. However, the model accounts and makes adjustments for the fact that industries within the state cannot supply all of the goods, services, capital, and labor needed to produce the state's output.
5. The analysis assumes businesses treated the assistance as subsidies that lowered the cost of operation for each individual firm.
6. The analysis assumes distribution of capital purchases by each business is the same as the industry in which it operates. This assumption is made because data is not available regarding the specific capital purchases associated with each project. It is also assumed that the businesses within a program are not large enough to affect the rate of return on capital within the industries in which the businesses operated.
7. The analysis assumes the output from projects does not displace the market for goods and services of existing Florida businesses. To do this, output associated with the businesses is assumed to be exported to the rest of the world. The "rest of the world" is defined as other states or the international market.
8. The analysis assumes the revenue reported by completers of the Entrepreneurship Program was the result of training provided through the program. The analysis uses the mid-point of the reported revenue range. The analysis assumes this is an accurate approximation of the actual revenue for the participants in the program.
9. The analysis assumes that the only economic value from the workforce training grants for veterans is to the recipient businesses as direct subsidies.

KEY TERMS

In the pages that follow, diagnostic tables describing the composition and statistics of the analysis precede the discussion. Key terms used in the tables are described below:

State Payments Used in Analysis – Represents the amount of state payments made to the program in each fiscal year.

Total Net State Revenues \$ (M) – Represents the amount of new state revenue generated by the program in each fiscal year.

Personal Income (Nominal \$(M)) – Reflects income received by persons from all sources. It includes income received from participation in production as well as from government and business transfer payments. It is the sum of compensation of employees (received), supplements to wages and salaries, proprietors' income with inventory valuation adjustment (IVA) and capital consumption adjustment (CCAdj), rental income of persons with CCAdj, personal income receipts on assets, and personal current transfer receipts, less contributions for government social insurance.

Real Disposable Personal Income (Fixed 2018-19 \$(M)) – Reflects total after-tax income received by persons; it is the income available to persons for spending or saving.

Real Gross Domestic Product (Fixed 2018-19 \$(M)) – Measures the state's output; it is the sum of value added from all industries in the state. GDP by state is the state counterpart to the Nation's gross domestic product.

Consumption by Households and Government (Fixed 2018-19 \$(M)) – Reflects the goods and services purchased by persons plus expenditures by governments consisting of compensation of general government employees, consumption of fixed capital (CFC), and intermediate purchases of goods and services less sales to other sectors and own-account production of structures and software. It excludes current transactions of government enterprises, interest paid or received by government, and subsidies.

Real Output (Fixed 2018-19 \$(M)) – Consists of sales, or receipts, and other operating income, plus commodity taxes and changes in inventories.

Total Employment (Jobs) – Provides estimates of the number of jobs, full time plus part time, by place of work. Full time and part time jobs are counted at equal weight. Employees, sole proprietors, and active partners are included, but unpaid family workers and volunteers are not included.

Population (Persons) – Reflects first of year estimates of people, including survivors from the previous year, births, special populations, and three types of migrants (economic, international, and retired).

PROGRAM FINDINGS

A nonprofit organization, Florida Is For Veterans, Inc., oversees the two programs under review. The organization refers to the combined set as the Veterans Employment and Training Services Program (VETS Program). All state funding is received through the Florida Department of Veterans' Affairs.³⁴

Unlike previous analyses where separate appropriations were provided to each of these programs, the two distinct line items (Workforce Training Grants for Veterans and Entrepreneur Training) were formally combined in FY 2022-23. While this fiscal design creates operational flexibility for the organization, it limits both the type of analysis that can be performed and the comparability of the results over time. Beginning with this report, the return on investment reflects the combined impact of the two initiatives, although each program is first discussed separately below.

As a stand-alone initiative, the **Workforce Training Grants** program fails the “but for” test—meaning that absent the existence of this program, trainees would still have the same wages and employment opportunities.³⁵ This is primarily because the workforce training grants duplicate other programs that are equally available to the trainees. There are multiple ways for this alternative assistance to occur. Since 1993, CareerSource Florida (CSF) Quick Response Training (QRT) grants have provided match funding to businesses for customized, skills-based training for new or retained jobs in Florida’s targeted industries that produce exportable products or services. Since 1999, CSF Incumbent Worker Training (IWT) grants have provided match funding for customized skills upgrade training for existing full-time employees of for-profit businesses. Further, the twenty-one Local Workforce Development Boards (LWDBs) offer On-The-Job training programs for partial wage reimbursement of qualified employees.³⁶ In addition, they offer the Employed Worker Training (EWT) program. The EWT program provides reimbursement for the cost of training prospective or current employees of qualified area businesses, and the training can be customized. The CSF, the LWDBs and the Department of Commerce (formerly the Department of Economic Opportunity) have also developed other incentives and initiatives to address the workforce training needs of veterans and their families.³⁷

Even holding the “but-for” test in abeyance, the Workforce Training Grants program would not result in a positive ROI, primarily because these grants are not conditioned upon creation of new jobs or increased productivity.³⁸ Further, most training grants are for low-to-mid-wage jobs—the wages least likely to increase after the training is completed. The rationale for eliminating the “but-for” test is also weak; by omission, it implies that Veterans Florida’s Workforce Training Grants are providing assistance

³⁴ Beginning with the General Appropriations Act for FY 2022-23, the relevant line item is also entitled “Veterans Employment and Training Services Program.”

³⁵ The “but-for” assertion in EDR’s analysis of economic development programs is the claim that “but for” the program subsidy, the initiation of economic activity would not have otherwise occurred – the incentive is the primary, or at least the determining factor, in business decisions.

³⁶ Previously, there were 24 Regional Workforce Development Boards.

³⁷ See [Jobs for Veterans' State Grant - FloridaJobs.org](https://www.floridajobs.org/news/2021/11/11-11-21) For a description of an initiative during the review period, see [Governor DeSantis Announces \\$8.6 Million to Expand Career and Workforce Training Opportunities for Military Veterans and Spouses \(flgov.com\)](https://www.flgov.com/news/2021/11/11-11-21) 11-11-21.

³⁸ Further, in 2018 the Legislature removed the requirement that grants are contingent upon hiring veterans, thereby allowing grants to be used to train current employees, provided they are military veterans.

to a subgroup of veterans that is not available by any other means, an improbable conclusion based on the capped amount (no more than \$8,000 per employee) and the discussion above.³⁹

These points can be demonstrated by the data that is available. For the Workforce Training Grants, Veterans Florida reported that thirty-five businesses received \$3,348,603 in payments for training new or incumbent workers sometime during the review period. Of the 1,038 employees who received training, 403 (38.8 percent) had post-training salary increases. This means that the bulk (61.1 percent) of the participants did not see significant changes in salary after the training—and those who did were in the upper echelon of the wage distribution matrix. For example, prior to the training, the median salary for participants was \$41,600 and the mean salary was \$49,555. Post-training, there was no change to the median salary even though trainees representing the 75th percentile of this cohort saw salary increases of \$1,040.⁴⁰

By law, preference is given to businesses in Florida’s targeted, high-growth and high-wage industries (qualified targeted industries). These are high-skill industries producing goods or services with wages generally 125 percent above state or local wages.⁴¹ In 2023, 125 percent of the average statewide wage for all occupations in Florida was \$75,270; however, Veterans Florida reports that 822 of the 1,038 trainees (79 percent) earned less than \$64,000 post training. Even more problematic, roughly half of the trainees (48.7 percent) were trained for jobs paying \$40,000 or less.⁴²

There are several reasons why this may be an acceptable outcome from a programmatic standpoint. First, the grant initiative is marketed to “high-wage industries” – not specifically to subsidize training for high-wage jobs. Second, the preponderance of training provided for relatively low-skill, low-wage jobs may correspond to the actual workforce needs of Florida employers – low-to-middle skilled jobs and occupations with relatively high turnover rates. Third, the training may correspond to the quality of supply—available veterans with minimal marketable skills, experience or credentials seeking assistance. In this regard, there is likely a well-established recruiting pipeline for highly skilled veterans (especially those with high security clearances), making those businesses less likely to seek training assistance from Veterans Florida.⁴³

To generate this portion of the composite ROI, EDR’s analysis uses the reported state costs of the Workforce Training Grants as a subsidy benefiting the recipient businesses. This is a shift of tax revenues from the general market basket of public goods and services to the business sector with no other benefit. This lowers costs for the businesses but provides no real benefit to the trainees or the economy at large. The failure of the “but-for” test was held in abeyance; otherwise, the program would only generate a loss to the state. No other adjustments have been made. While the statute allows these grants to be bundled with CareerSource Florida training grants, both CareerSource Florida and Veterans

³⁹ EDR has not evaluated the extent to which employment of training-subsidized veterans displaces employment of similarly situated non-veterans. If this occurs, it offsets the economic benefit of the subsidy.

⁴⁰ Veterans Florida does not track whether these employees filled new or existing job positions, which is an important consideration when determining the effectiveness of the program.

⁴¹ “Veterans Florida Business Training Grants Standard Operating Procedures,” 2016:2.

⁴² These jobs include Broadband Technicians, Customer Service Representatives, Commercial Roofers, Electronic Associates & Assemblers, Service Technicians, Security Officers, Drivers, Loaders, Warehouse Associates, Machine Operators, Technical Review Technicians, etc.

⁴³ For an article addressing this recruiting pipeline, see “Amazon’s D.C.-Area HQ2 a New Beachhead in Battle for Tech-Savvy Vets, Tech giant’s planned move to Pentagon’s backyard exacerbates local tussle for talent.” WSJ, 1/1/19.

<https://www.wsj.com/articles/amazons-d-c-area-hq2-a-new-beachhead-in-battle-for-tech-savvy-vets-11546344001?mod=searchresults&page=1&pos=1>

Florida staff state they do not know whether or to what extent this feature is used. As a result, EDR assumes this did not occur. As discussed elsewhere in the report, these are all generous assumptions.⁴⁴

For the **Entrepreneurship Program**, a network of professional trainers at universities, colleges, and nonprofits facilitate the establishment or growth of veteran-owned businesses through varied programs of instruction and mentoring.⁴⁵ Veterans Florida reported that its Network Providers received \$1,531,719 in total for the 2020-21 and 2021-22 fiscal years. A similar number for the 2022-23 fiscal year is not available, but it would be a subset of the \$2,000,000 appropriated for the combined Veterans Employment and Training Services Program. The Florida Department of Veterans' Affairs 2023 Annual Report suggests that actual expenditures for the Entrepreneurship Program in FY 2022-23 were \$486,074 and that it was budgeting \$550,000 for FY 2023-24.⁴⁶

Veterans Florida regularly surveys all participants in the Entrepreneurship Program to ascertain whether:

- They are in business;
- The business existed before or was started after participating in the program;
- The business has generated revenue after participating in the program – and if so, a range of how much;
- The business has hired employees – and if so, a range of how many and their average wages; and
- A range of how much capital they have invested in the business.

The organization reported that 477 veterans participated in cohort-based training during the review period, of which only 310 could be used in this analysis due to missing data or duplication. With respect to the “but-for” test, the Entrepreneurship Program is not immune from being duplicative of other initiatives, but the overlap is not as clear as it is for the Workforce Training Grants. It is likely that some of the assistance is comparable to the offerings at the state’s Small Business Development Centers, state colleges and state universities; however, the level of individualized instruction and mentorship may materially differ.

Of the 310 respondents, EDR further evaluated whether the businesses were Florida market or resource dependent. One-hundred-and-twenty-four of these businesses were determined not to be market or resource dependent. For that subset, respondents reported median revenues of \$4.86 million prior to the program and \$6.71 million after the program. To generate the composite ROI, this analysis uses the change in reported revenues as increased output resulting from participation in the Entrepreneurship Program.⁴⁷ No other adjustments have been made.

EDR’s analysis of the Entrepreneurship Program was hampered both by the low survey response of program graduates and the failure of respondents to provide the information necessary to assess the discrete impact on business activity. For example, some respondents reported hiring employees but did

⁴⁴ Section 295.22(3)(d)4., F.S. states that: “A business may receive a grant under the Quick-Response Training Program created under s. 288.047 and a grant under this section for the same veteran trainee. If a business receives funds under both programs, one grant agreement may be entered into with CareerSource Florida, Inc., as the grant administrator.”

⁴⁵ Veterans Florida variously refers to these trainers as Network Partners or Entrepreneur Partners.

⁴⁶ See Appendix IV at <https://floridavets.org/wp-content/uploads/2025/02/Annual-Report-2023.pdf>.

⁴⁷ The revenue variable had to be approximated due to data showing revenue ranges instead of point values. To this end, EDR used the median point of the reported revenue range as a proxy for business revenue.

not report the associated wages. Further, the reported capital investments capture the total amount invested in the business, but not the share of the capital investment associated with construction, renovation and purchase of equipment, which is an important factor in EDR’s analysis of ROI.

Composite Results

The combined impact of state investments for Workforce Training Grants and the Entrepreneurship Program is a negative **ROI of -0.34**. That is, the combined program does not recover any portion of the state’s investment, and state revenues are less than they would have been in its absence—even after using generous assumptions. Although personal income, real gross domestic product, employment and population recorded slight improvements, the state’s funds could alternatively be invested in the state’s market basket of public goods which has a higher overall multiplier.

Statewide Economic Model Impact Projections for Veterans Florida Workforce Training Grant and Entrepreneurship Programs

		FY2019	FY2020	FY2021	Total
State Payments in the Window	Nominal \$ (M)	2.04	1.30	2.00	5.34
Total Net State Revenues	Nominal \$ (M)	(0.27)	(0.66)	(0.89)	(1.81)
Return-on-Investment by Year		(0.13)	(0.51)	(0.44)	
Return-on-Investment for the 3 year period					-0.34

		FY2019	FY2020	FY2021	Total	Average per Year
Personal Income	Nominal \$ (M)	131.00	53.38	69.25	253.63	84.54
Real Disposable Personal Income	Fixed 2018-19 \$ (M)	110.37	43.41	52.68	206.46	68.82
Real Gross Domestic Product	Fixed 2018-19 \$ (M)	113.21	38.47	45.83	197.51	65.84
Consumption by Households and Government	Fixed 2018-19 \$ (M)	94.60	32.09	38.98	165.68	55.23
Real Output	Fixed 2018-19 \$ (M)	173.90	47.66	61.10	282.66	94.22

		FY2019	FY2020	FY2021	Minimum	Maximum	Average per Year
Total Employment	Jobs	612	32	83	32	612	242
Population	Persons	0	208	240	0	240	149

Conclusion

The primary purpose of services and programs offered by Veterans Florida is to promote Florida as a veteran-friendly state. The Workforce Training Grants initiative duplicates other government programs, thereby diminishing its cost-effectiveness to the state. While the Entrepreneurship Program may also have areas of overlap, it can be best viewed as complementary – expanding the state’s efforts to provide a broad spectrum of entrepreneurial training services to veterans in an area where limited funds are available.

In the 2022 evaluation of the Veterans Florida Entrepreneurship Program, the ROI was 0.04, meaning that the stand-alone program did not recover its costs. Adding in the Workforce Training Grants has tipped the combined program into negative territory. Even so, it should be noted that returns which take years to develop are not captured by the limited window for the statutory analysis, nor are the more intangible aspects of the Veterans Florida mission. The statutory purpose and design of a program

are key considerations in the evaluation, but the return-on-investment is ultimately a measure of financial returns and does not address overall societal benefit.

At a minimum, cost savings in administration could be realized by shifting the funding to other state programs that provide similar services. The shifted funding could then be designated for veterans, either under the existing qualifying criteria for the Veterans Employment and Training Services Program components or by creating a new preference for veterans in the recipient programs. However, implementing this option should be contingent upon demonstration of comparable marketing capacity. If so, tailoring the Veterans Florida offerings to the requirements and restrictions of existing programs may increase the potential ROI of the state's investment.