

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0890-03
Bill No.: SB 175
Subject: Education, Higher; Higher Education Dept; Veterans
Type: Original
Date: January 28, 2005

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
General Revenue*	(Up to \$195,250)	(Up to \$198,750 or Unknown)	(Up to \$202,450 or Unknown)
Total Estimated Net Effect on General Revenue Fund*	(Up to \$195,250)	(Up to \$198,850 or Unknown)	(Up to \$202,450 or Unknown)

***Subject to Appropriation**

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Missouri Veteran's Commission** stated that a Veteran Service Officer would be required to verify eligibility; however, no fiscal impact was indicated.

According to the **Coordinating Board for Higher Education (CBH)**, the average annual public 4-year tuition and fee amount for fall 2004 is \$5,619, or \$2,810 for one-half. The fiscal note is calculated assuming that all of the eligible students attend a public four-year institution. The maximum allowable expenses of \$2000 per semester for room and board and \$500 per semester for books were utilized for this calculation. This brings the total amount per eligible student to \$7,810 the first year.

CBH states the number of eligible recipients is unknown. It is difficult to determine which veterans would qualify under the criteria, and further the number of survivors that would qualify and would want to take advantage of this program. Given these limitations, for purposes of calculating this fiscal note, it is assumed for FY 2006 and subsequent fiscal years that the maximum number of 25 awards is distributed. At an amount of \$7,810 per student, the first year of grants would total \$195,250. Assuming that the tuition and fees cost rise 5% for FY 2007, the total that year would be \$7,950 per student for a grand total \$198,750 for all 25. At another 5% increase, FY 2008 would cost \$8,098 per student with a grand total of \$202,450.

ASSUMPTION (continued)

According to the proposal, the number of recipients may exceed 25, which could increase the costs in any given fiscal year.

CBH state that since the Grant and Scholarship Program Administration staff has suffered severe budget cuts of approximately 50% in the last few fiscal years, and is already working to capacity on administering seven state grant and scholarship programs, 1.0 FTE Research Associate position at an estimated salary of \$35,000 plus associated expense and equipment would be needed in FY 2006. This Research Associate would be responsible for overall administration of this program, including reviewing applications and working with participating institutions in order to distribute funds accurately and smoothly.

Oversight assumes that since funding of the scholarships is subject to appropriation, personal services requests will be made through the budget process.

Officials from the **Office of Secretary of State (SOS)** assumed the rules, regulations and forms issued by the Coordinating Board for Higher Education could require as many as 6 pages in the *Code of State Regulations*. For any given rule, roughly half again as many pages are published in the *Missouri Register* as in the Code because cost statements, fiscal notes and the like are not repeated in the Code. These costs are estimated. The estimated cost of a page in the *Missouri Register* is \$23. The estimated cost of a page in the *Code of State Regulations* is \$27. The actual costs could be more or less the SOS's estimated cost of \$369 for FY 2006. The impact of this legislation in future years is unknown and depends upon the frequency and length of rules, filed, amended, rescinded or withdrawn.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

<u>FISCAL IMPACT - State Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
GENERAL REVENUE			
<u>Cost - Scholarship Funding*</u>	(Up to \$195,250)	(Up to \$198,750 or Unknown)	(Up to \$202,450 or Unknown)
ESTIMATED NET EFFECT ON GENERAL REVENUE*	<u>(Up to \$195,250)</u>	<u>(Up to \$198,750 or Unknown)</u>	<u>(Up to \$202,450 or Unknown)</u>

***Subject to appropriation**

<u>FISCAL IMPACT - Local Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

Under the provisions of this proposal, the Coordinating Board for Higher Education (CBH) will provide up to 25 tuition grants to the surviving children of any member of the military who was killed in the line of duty and who was, at the time of enlistment and death, a citizen of Missouri. The grants will pay fifty percent of the surviving child's tuition costs, the actual cost of books, and up to two thousand dollars per semester for room and board.

The proposal delineates specific eligibility criteria for both the recipients and the higher education institutions.

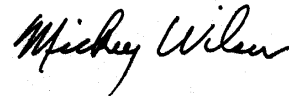
The CBH will administer the program.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

L.R. No. 0890-03
Bill No. SB 175
Page 5 of 5
January 28, 2005

SOURCES OF INFORMATION

Coordinating Board for Higher Education
Department of Public Safety
Missouri Veterans Commission
Office of Secretary of State
Administrative Rules Division



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January 28, 2005