

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1079-01  
Bill No.: SB 255  
Subject: Veterans; Military Affairs  
Type: Original  
Date: February 7, 2005

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
General Revenue	(\$318,347 to Unknown)	(\$58,156 to Unknown)	(\$59,900 to Unknown)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(\$318,347 to Unknown)</b>	<b>(\$58,156 to Unknown)</b>	<b>(\$59,900 to Unknown)</b>

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

\* Transfers In and expenditures net to zero.

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 6 pages.

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

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

**FISCAL ANALYSIS**

ASSUMPTION

Officials from the **Department of Public Safety - Missouri Veterans Commission** assume the proposal would not fiscally impact their agency.

Officials from the **Office of Secretary of State (SOS)** assume there would be costs due to additional publishing duties related to the Adjutant General's authority to promulgate rules, regulations, and forms. SOS estimates the Adjutant General could require approximately 6 new pages of regulations in the Code of State Regulations at a cost of \$27.00 per page, and 9 new pages in the Missouri Register at a cost of \$23.00 per page. Costs due to this proposal are estimated to be \$369, however, the actual fiscal impact would be dependent upon the actual rule-making authority and may be more or less. Financial impact in subsequent fiscal years would depend entirely on the number, length, and frequency of the rules filed, amended, rescinded, or withdrawn. SOS does not anticipate the need for additional staff as a result of this proposal, however, the enactment of more than one similar proposal may, in the aggregate, necessitate additional staff.

**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.

ASSUMPTION (continued)

Officials from the **Department of Public Safety - Office of the Adjutant General (OTAG)** state the proposal requires their office to process benefits under the program from January 1, 2006 through January 1, 2009. The OTAG will administer the newly created War on Terror Veteran Fund.

OTAG assumes they will use existing space to operate the program and that the program will operate from October 2005 through March 2009. Due to the fixed period for the program, contract staff (without benefits) will be used to administer the program.

The proposal does not limit eligibility to National Guard or Reserve military personnel, but includes all military personnel who were Missouri residents when they entered military service.

The Missouri National Guard (MNG) has approximately 10,500 members, of which approximately 6,000 have served in Afghanistan or Iraq. At this time, it is believed two MNG members have lost their lives as result of this action. No statistics are available as to the number of MNG wounded as a result of combat action.

The number of reserve and active duty military eligible to qualify for death and wounded in combat action is unknown, therefore, OTAG assumes the fiscal note cost is unknown.

Although the proposal allows for the establishment of the "War on Terror Fund" it is uncertain the amount of funding that will be received to administer the fund. Since the fund can be used solely for award benefits the amount of funding available to support the program is uncertain. The OTAG is requesting General Revenue funding to administer the program.

OTAG estimates their annual expenditures to be:

P/S Office Support Assistants (1 FTE - 12 mo's)	* \$ 20,712
E/E Travel - 140	\$ 750
Supplies (medals/Envelopes/Misc) - 190	\$ 3,000
Communications (Postage, Phone) - 340	\$ 2,000
Professional Services (Advertising/Mgt)	<u>\$ 30,000</u>
Total	\$ 56,462

\* Excludes Fringe Benefits

Other: \*\*\$ 25,000 - Unknown \$

\*\* Payment to spouses and family members of military veterans who have died or have been injured in combat (Payments limited to amounts of funds collected.).

RS:LR:OD (12/02)

ASSUMPTION (continued)

According to the **United States Department of Defense**, as of February 4, 2005, 1,442 U.S. soldiers have died in Operation Iraqi Freedom and 156 U.S. soldiers have died in Operation Enduring Freedom. Of these totals, Missouri is listed as losing 23 soldiers. Also, the wounded-to-death ratio is roughly 7 to 1. Therefore, **Oversight** will assume that roughly 161 (23 x 7) soldiers from Missouri have been wounded in the two operations. Therefore, Oversight will assume that roughly \$115,000 (23 x \$5,000) in death benefits will be paid for Missouri's fallen soldiers and that roughly \$161,000 (161 x \$1,000) in cash benefits for wounded soldiers will be paid.

**Oversight** assumes the number of casualties in future months and years is unknown, and will reflect the cash benefits (both death and wounded) as an unknown cost to the state. Oversight assumes the death and wounded benefits for casualties that have occurred before this date will be paid in FY 2006. Oversight also assumes the payments will be made from the new "War on Terror Veteran Fund", but that the General Revenue Fund will supply the funding source. Oversight will utilize OTAG's assumption of incurring expenses starting in October, 2000, or 9 months of expenses in FY 2006.

Officials from the **Office of the State Treasurer** did not respond to Oversight's request for fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
<b>GENERAL REVENUE FUND</b>			
<u>Transfer</u> to the War on Terror Veteran Fund	(\$318,347 to <u>Unknown</u> )	(\$58,156 to <u>Unknown</u> )	(\$59,900 to <u>Unknown</u> )
<b>ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND</b>	<b>(\$318,347 to <u>Unknown</u>)</b>	<b>(\$58,156 to <u>Unknown</u>)</b>	<b>(\$59,900 to <u>Unknown</u>)</b>

**WAR ON TERROR VETERAN FUND**

<u>Transfer</u> from the General Revenue Fund	\$318,347 to Unknown	\$58,156 to Unknown	\$59,900 to Unknown
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<u>FISCAL IMPACT - State Government</u> (continued)	FY 2006 (10 Mo.)	FY 2007	FY 2008
<u>Costs - Office of the Adjutant General</u>			
Expense and Equipment	(\$42,347)	(\$58,156)	(\$59,900)
Death and Wounded benefit	(\$276,000 to <u>Unknown</u> )	\$0 to <u>(Unknown)</u>	\$0 to <u>(Unknown)</u>
<u>Total Costs - OTAG</u>	(\$318,347 to <u>Unknown</u> )	(\$58,156 to <u>Unknown</u> )	(\$59,900 to <u>Unknown</u> )

<b>ESTIMATED NET EFFECT TO THE WAR ON TERROR VETERAN FUND</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
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<u>FISCAL IMPACT - Local Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

FISCAL IMPACT - Small Business

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

DESCRIPTION

This proposal provides a \$5,000 cash benefit to the families of Missouri veterans who died while serving in Iraq or Afghanistan after September 11, 2001. The proposal also provides a \$1,000 cash benefit to veterans wounded as a result of combat action in Afghanistan or Iraq after September 11, 2001.

The Adjutant General of the state of Missouri shall administer the program.

The proposal creates the "War on Terror Veteran Fund".

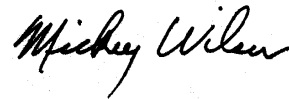
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

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SOURCES OF INFORMATION

Department of Public Safety  
Missouri Veterans Commission  
Office of the Adjutant General  
Office of the Secretary of State

**NOT RESPONDING: Office of the State Treasurer**



Mickey Wilson, CPA  
Director  
February 7, 2005