

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0320-01
Bill No.: SB 12
Subject: Children and Minors; Education, Higher; Higher Education Dept.; Military Affairs; Veterans
Type: Original
Date: January 3, 2007

Bill Summary: The proposed legislation would create an educational grant for children and spouses of veterans who are killed in combat.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
General Revenue	(\$0 to \$201,250)	(\$0 to \$211,325)	(\$0 to \$221,900)
Total Estimated Net Effect on General Revenue Fund	(\$0 to \$201,250)	(\$0 to \$211,325)	(\$0 to \$221,900)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
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 2008	FY 2009	FY 2010
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on FTE	0	0	0

Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of the Secretary of State (SOS)** stated that many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to SOS for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, we also recognize that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what our office can sustain with our core budget. Therefore, we reserve the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Officials from the **Department of Higher Education (DHE)** assume the proposed legislation would make available a grant for children and spouses of veterans killed in combat to pay one-half tuition and fees, room and board (capped at \$2,000 per semester), and books (\$500 maximum for books per semester) at any public state college or university as defined. DHE would be responsible for promulgating rules and regulations for this program, establishing the minimum eligibility performance standards, administering the program, processing applications, and paying institutions.

The average public 4-year tuition and fee amount for fall 2006 is \$6,100, or \$3,050 for half. This fiscal note is calculated assuming that all of the eligible students go on to attend a public four-year institution. The maximum allowable expenses of \$2,000 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 \$8,050. The number of eligible recipients is unknown; DHE assumes that the maximum of 25 awards is distributed. for a first year grant total of \$201,250. Assuming that the tuition and fees rise 5% for FY 2009, the amount that year would be \$8,453 per student for a total cost of \$211,325 for 25 students. Assuming another 5% increase, the FY 2010 cost would be \$8,876 per student for a total cost of \$221,900.

DHE also estimates that administration of this proposal would require an additional 1.0 FTE Research Associate position at an estimated salary of \$35,000 plus associated expense and equipment in FY 2008. The Research Associate would be responsible for overall administration of the program, including reviewing institutional eligibility requirements and working with participating institutions in order to distribute funds accurately and smoothly.

ASSUMPTION (continued)

Oversight assumes that processing for a limited number of grants could be performed by existing DHE staff. Oversight also assumes that no more than 25 grants would be approved; therefore, Oversight has shown a range from \$0 to \$201,250 for FY 2008, from \$0 to \$211,325 for FY 2009, and from \$0 to \$221,900 for FY 2010. The amount awarded would also be limited to the amount appropriated for the program.

Officials from the **Department of Public Safety, Office of the Director, Missouri Veterans Commission, and Missouri National Guard** assume this proposal would have no fiscal impact on their organizations.

Officials from the **Department of Public Safety, Missouri Veterans Commission**, provided the following additional information:

During the combat operations designated as Desert Shield/Desert Storm a total of 11 Missouri resident troops were killed as a result of combat action, and during the combat operations designated as Operation Iraqi Freedom/Operation Enduring Freedom a total of 72 Missouri resident troops were killed as a result of combat action. Information regarding the number of children or spouses of these troops was not available.

<u>FISCAL IMPACT - State Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
GENERAL REVENUE FUND			
<u>Cost - Department of Higher Education</u> Scholarships *	(\$0 to <u>\$201,250</u>)	(\$0 to <u>\$211,325</u>)	(\$0 to <u>\$221,900</u>)
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND *	<u>(\$0 to \$201,250)</u>	<u>(\$0 to \$211,325)</u>	<u>(\$0 to \$221,900)</u>
* subject to appropriation.			
 <u>FISCAL IMPACT - Local Government</u>	 FY 2008 (10 Mo.)	 FY 2009	 FY 2010
	 <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.

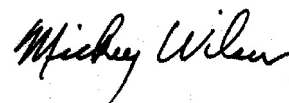
FISCAL DESCRIPTION

The proposed legislation would create an educational grant for children and spouses of veterans who are killed in combat.

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

SOURCES OF INFORMATION

Office of the Secretary of State
Department of Higher Education
Department of Public Safety
Office of the Director
Missouri Veterans Commission
Missouri National Guard



Mickey Wilson, CPA
Director
January 3, 2007