

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4877-03
Bill No.: SB 1167
Subject: Boards, Commissions, Committees, Councils; Business and Commerce; Children and Minors; Economic Development Department; Education, Elementary and Secondary; Higher Education; Military Affairs
Type: Original
Date: March 18, 2008

Bill Summary: This proposal modifies various provisions of law relating to members of the military and their families.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
General Revenue	(\$223,425 to \$377,110)	(\$416,847 to \$733,439)	(\$605,038 to \$1,094,173)
Total Estimated Net Effect on General Revenue Fund	(\$223,425 to \$377,110)	(\$416,847 to \$733,439)	(\$605,038 to \$1,094,173)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 9 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
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 2009	FY 2010	FY 2011
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Public Safety - Office of the Adjutant General** and the **Department of Economic Development** each assume the proposal would not fiscally impact their respective agencies.

Officials from the **Missouri Veterans' Commission (VET)** assume they would incur \$2,500 per year in expenses from this proposal.

Oversight assumes the VET will be able to absorb an addition \$2,500 of expenses within their existing appropriations.

Officials from the **University of Missouri** and the **University of Central Missouri** each assume the proposal would not fiscally impact their respective universities.

Officials from the **Office of the Secretary of State (SOS)** assume 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 the 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 Elementary and Secondary Education (DESE)** state there is no fiscal impact; however, the language in subsection 168.021.5 conflicts with the statutes requiring a background clearance on all new hires. The proposal establishes a fourth reason to issue a provisional certificate (i.e. marriage to someone in the military). This reason will not pass muster with the No Child Left Behind Act. People with out-of-state licenses are not delayed or hindered from getting Missouri licenses due to background checks; therefore, the added language is unnecessary.

ASSUMPTION (continued)

Officials from the **Coordinating Board for Higher Education (CBH)** state the bill would create a state-administered scholarship program for the survivors of certain veterans. The CBH and its administrative arm, the Missouri Department of Higher Education (DHE), are assigned responsibility for administering the program, including promulgating rules, providing forms, and determining application procedures.

The Missouri Veterans' Commission or the federal Veterans' Administration are responsible for determining if a recipient qualifies as a "survivor" within the definitions in this bill. The DHE is responsible for determining if a recipient meets the other eligibility requirements.

The DHE would also be responsible for distributing the scholarships. The DHE assumes that it would award 25 scholarships each year. The worksheet submitted in connection with this note shows the range of expenses, depending on whether recipients attend the a college/university that is as expensive or more expensive than the University of Missouri-Columbia (\$8,093 for FY '08 - which is the highest amount of tuition for which a student can receive a scholarship in this bill), or the least expensive public institution in the state, East Central College (\$2,910.00 for FY '08). The DHE assumes that tuition at each institution will increase by 3% per year. We assume that each recipient would receive the full \$2,000 per semester for room and board, and the full \$500 per semester for books.

Based on those assumptions, the DHE concludes that the following costs would be associated with the scholarship benefits described in the bill (including books and expenses):

For FY 09, the cost will be between \$179,847.50 and \$333,532.77;
For FY 10, the cost will be between \$181,492.93 and \$339,788.75; and
For FY 11, the cost will be between \$183,187.71 and \$346,232.42.

In addition, the DHE assumes that it would need one additional staff person to administer the program. An additional staff person, hired at the level of program specialist, would be necessary for the proper administration of the program.

The tuition costs per student with FY 2008 as base year and assuming a 3% inflation rate.

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
East Central Tuition	\$2,130	\$2,194	\$2,260	\$2,328	\$2,397
UMC Tuition	\$8,098	\$8,341	\$8,592	\$8,849	\$9,115

ASSUMPTION (continued)

	FY '09 Low Est.	FY '09 High Est.	FY '10 Low Est.	FY '10 High Est.	FY '11 Low Est	FY '11 High Est.
Number of Grants	25	25	25	25	25	25
Tuition	\$54,848	\$208,533	\$56,493	\$217,789	\$58,188	\$221,232
Books	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
Room & Board	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Total	\$179,848	\$333,533	\$181,493	\$339,789	\$183,188	\$346,232

Oversight assumes 25 new scholarships will be awarded each year. Therefore, in year two, there will be 50 scholarship recipients, and 75 recipients in the third year. Therefore, Oversight will assume the following cost for the scholarship program;

	FY '09 Low Est.	FY '09 High Est.	FY '10 Low Est.	FY '10 High Est.	FY '11 Low Est	FY '11 High Est.
Number of Grants	25	25	50	50	75	75
Tuition	\$54,848	\$208,533	\$112,986	\$429,578	\$174,563	\$663,698
Books	\$25,000	\$25,000	\$50,000	\$50,000	\$75,000	\$75,000
Room & Board	\$100,000	\$100,000	\$200,000	\$200,000	\$300,000	\$300,000
Total	\$179,848	\$333,533	\$362,986	\$679,578	\$549,563	\$1,038,698

<u>FISCAL IMPACT - State Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
GENERAL REVENUE			
<u>Costs - Dept. of Higher Education</u>			
annual grants for tuition, books, and room and board	(\$179,848 to \$333,533)	(\$362,986 to \$679,578)	(\$549,563 to \$1,038,698)
<u>Costs - Dept. of Higher Education</u>			
Personal Services (1 FTE)	(\$30,042)	(\$37,132)	(\$38,245)
Fringe Benefits	(\$13,285)	(\$16,420)	(\$16,912)
Expense and Equipment	<u>(\$250)</u>	<u>(\$309)</u>	<u>(\$318)</u>
<u>Total Costs - Dept. of Higher Education</u>	<u>(\$43,577)</u>	<u>(\$53,861)</u>	<u>(\$55,475)</u>
FTE Change - Dept. of Higher Educ.	1 FTE	1 FTE	1 FTE
ESTIMATED NET EFFECT ON GENERAL REVENUE			
	<u><u>(\$223,425 to \$377,110)</u></u>	<u><u>(\$416,847 to \$733,439)</u></u>	<u><u>(\$605,038 to \$1,094,173)</u></u>
Estimated Net FTE Change for General Revenue	1 FTE	1 FTE	1 FTE
<u>FISCAL IMPACT - Local Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
	<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

This proposal modifies various provisions of law relating to members of the military forces and their families. The proposal:

Adds the chair of the Missouri veterans' commission, or a designee, as an ex officio member of the Missouri military preparedness and enhancement commission, and provides that the Military preparedness and enhancement commission's duties include developing methods to improve the prosperity and employment opportunities of retired military members and the families of former military members. Section 41.1010.

Adds the chair of the Missouri military preparedness and enhancement commission, or a designee, as an ex officio member of the Missouri veterans' commission, and provides that the Missouri military preparedness and enhancement commission shall assist all veterans who are legal residents of Missouri. Section 42.007.

Allows military dependents who do not meet our state's age requirements to enter kindergarten or first grade if the child has completed an accredited prekindergarten or kindergarten program in another state. Section 160.053.

Requires the State Board of Education to develop recommendations for alternate assessments for military dependents who relocate after the commencement of a school term, in order to accommodate the student while ensuring he or she is proficient in the knowledge, skills, and competencies adopted by the State Board of Education. Section 160.518.

Requires the State Board of Education to establish rules allowing a provisional certificate of license to be issued to any spouse of a military member stationed in Missouri, who relocated to this state within one year of application, who had to complete a criminal background check in another state in order to be issued a certificate of license from another state, and who otherwise qualifies. Section 168.021.

Allows school districts to accept a course in state government completed in another state, for purposes of satisfying Missouri's graduation requirements, when a student transfers to a Missouri high school in ninth to twelfth grade. The act also deletes provisions in current law that require the state commissioners of education and higher education to make arrangements to carry out the provisions of this section, and to prescribe a list of suitable texts, and deletes provisions that provide that neglect by any superintendent, principal or teacher to observe the provisions of this section shall be sufficient cause for termination of his or her contract. Section 170.011.

FISCAL DESCRIPTION (continued)

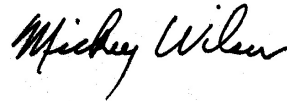
Establishes a tuition grant program for spouses and children of war veterans who die, or who become eighty percent disabled, as the result of injury or illness sustained while serving in combat. Within the limits of amounts appropriated therefor, the Coordinating Board for Higher Education shall provide up to twenty-five tuition grants to the surviving spouses and children of any member of the military who served in armed combat and who was killed in the line of duty and who was a citizen of Missouri at the time of enlistment and at the time death or injury occurred. The grants shall pay an amount not to exceed the actual amount of tuition, the actual cost of books up to five hundred dollars per semester, and up to two thousand dollars per semester for room and board. The grant will continue to be awarded annually to eligible recipients as long as the recipient achieves and maintains a cumulative grade point average of at least two and one-half on a four point scale, or its equivalent. The grant may not be used for graduate study, and is not available to surviving children who are twenty-five years of age or older. The act delineates specific eligibility criteria for both the recipients and the higher education institutions. Section 173.238.

Modifies the Guard at Home program by renaming it the "Hero at Home" program, and by providing that services under the program shall continue to be available to national guard members and their families, as well as reserve component service members and their families, during the one year period following a national guard member or any reserve component member's discharge from deployment. The program shall also assist returning national guard or reserve component service members to find employment in situations where the individual cannot return to employment held prior to deployment. Also, the act allows the Department of Economic Development to operate the Hero at Home program by utilizing existing programs, or by entering into contracts with qualified providers. Section 620.515.

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

Department of Public Safety
Office of the Adjutant General
Missouri Veterans' Commission
Department of Elementary and Secondary Education
Office of the Secretary of State
Department of Higher Education
Department of Economic Development
University of Missouri
University of Central Missouri



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Director
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