

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 5172-02  
Bill No.: SB 1223  
Subject: Education, Higher; Workers Compensation; Taxation and Revenue - General;  
 Higher Education Department  
Type: Original  
Date: March 6, 2008

Bill Summary: This proposal modifies provisions relating to the Kids's Chance Scholarship Fund.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Workers Compensation Administration Fund	(\$50,000)	(\$50,000)	(\$50,000)
Kids Chance Scholarship Fund	\$50,000	\$50,000	\$50,000
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses. This fiscal note contains 4 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
<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 FULL TIME EQUIVALENT (FTE)</b>			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

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).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**FISCAL ANALYSIS**

ASSUMPTION

Officials at the **Department of Labor and Industrial Relations** assume this bill extends the annual deposits made to the Kids' Chance Scholarship Fund an additional 10 years through 2018. The cost to the Workers' Compensation Administrative Fund would be \$50,000 each year for a total of \$500,000 over the 10-year period. The annual payment of \$50,000 to the scholarship fund will affect the balance of the Workers' Compensation Administrative Fund which is used to pay personal services and expense and equipment expenses of the Division of Workers' Compensation. The balance is part of the calculation which determines the tax to be charged employers each year. Since there are other factors affecting the balance of the fund, the Department is unable to determine what impact the annual payment of \$50,000 will have on the tax.

Officials at the **Office of the State Treasurer** and the **Department of Higher Education** assume that there is no fiscal impact from this proposal.

<u>FISCAL IMPACT - State Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
<b>WORKERS COMPENSATION ADMINISTRATION FUND</b>			
<u>Transfer Out</u> - Department of Labor Payment to the Kids Chance Scholarship Fund	<u>(\$50,000)</u>	<u>(\$50,000)</u>	<u>(\$50,000)</u>
<b>ESTIMATED NET EFFECT ON WORKERS COMPENSATION ADMINISTRATION FUND</b>	<b><u>(\$50,000)</u></b>	<b><u>(\$50,000)</u></b>	<b><u>(\$50,000)</u></b>
<b>KIDS CHANCE SCHOLARSHIP FUND</b>			
<u>Transfer In</u> - Dept. of Higher Education Workers Compensation transfer	<u>\$50,000</u>	<u>\$50,000</u>	<u>\$50,000</u>
<b>ESTIMATED NET EFFECT ON KIDS CHANCE SCHOLARSHIP FUND</b>	<b><u>\$50,000</u></b>	<b><u>\$50,000</u></b>	<b><u>\$50,000</u></b>

<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.

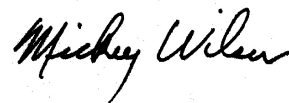
FISCAL DESCRIPTION

This act modifies provisions relating to the Kids' Chance Scholarship Fund. Current law requires the Director of the Division of Workers' Compensation to deposit \$50,000 annually into the Kids' Chance Scholarship Fund from 1999 until 2008. This act changes the termination date from 2008 to 2018 so that the Director will continue to deposit \$50,000 annually until 2018. In addition, the Department of Higher Education may begin distributing any accrued interest in the fund as scholarships after the second Monday in October 2008.

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 Labor and Industrial Relations  
Office of the State Treasurer  
Department of Higher Education



Mickey Wilson, CPA  
Director  
March 6, 2008