

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0737-02
Bill No.: HCS for HB 163, 213, & 216
Subject: Veterans
Type: Original
Date: March 2, 2005

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

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

In response to a similar substitute from this year, officials from the **Office of the Adjutant General (OTAG)** state this proposal would require the OTAG to operate the veterans WWII and Korean War Veterans Programs on a recurring basis until the medal supply is exhausted or the General Assembly procures more medals. This proposal does not include an application deadline. The proposal requires the Adjutant General to notify the general assembly when the medal supply drops below 100, as a result, the length of the program is uncertain

A funding source will need to be established to support this program in FY06 and until the supply of medals is exhausted. OTAG anticipates the program will be completed no later than FY07.

OTAG states the proposal includes an emergency clause. In this estimate OTAG assumes legislation will be enacted as soon as possible in FY05 to allow OTAG to continue the program. Under current law, the application deadline for processing WWII applications was June 30, 2004 and January 1, 2005 for processing Korean War applications.

RS:LR:OD (12/02)

ASSUMPTION (continued)

The current program is funded from Veterans Commission Capitol Improvement Trust Fund (VCCIFT) monies, but the spending authority will lapse on June 30, 2005. The OTAG assumes the funding source for this proposal will also be the VCCIFT, as the proposal does not indicate a funding source. If VCCIFT funds remaining from the \$818,593 appropriated for FY05 are reappropriated for FY 2006 and FY 2007, the OTAG does not anticipate the need for any additional funding.

Demographics furnished by the Veterans Commission (December 2002) reflect 81,016 Korean War Veterans and 91,546 WWII Veterans living in Missouri. As of January 18, 2005, OTAG has issued 43,170 WWII awards and 13,321 Korean War medals. OTAG does not have data as to the number of spouses and eldest living family member who may apply on behalf of deceased WWII and Korean War Veterans.

The OTAG projects current program staff (three FTE) will be retained through July 1, 2006 and after that one full time staff and one contract staff person will be retained for one additional year as the program demand slows. No costs for the proposal are anticipated beyond July 2007.

This proposal requires awards to be issued until the supply is exhausted and for the OTAG to notify the General Assembly when the medal stock drops below 100. The status of the program is uncertain once the medal supply is exhausted. Currently the OTAG has 2,000 WWII medals and 5,600 Korean War medals in stock.

Estimate FY 2006 costs (12 months):

P/S	Office Support Assistants (3 FTE - 12 mo's)	* \$62,136
E/E	Travel - 140	\$ 750
	Supplies (medals/Envelopes/Misc) - 190	\$38,050
	Communications (Postage, Phone) - 340	\$20,000
	Professional Services (Advertising/Mgt)	<u>\$60,000</u>
	Total	\$180,936

* Excludes Fringe Benefits

ASSUMPTION (continued)

OTAG assumes a total cost of \$206,393 in FY 2006 and \$46,026 in FY 2007 to extend the application deadline until the supply of awards is exhausted.

Oversight assumes that OTAG will administer this program with the temporary employees and necessary supplies as estimated by OTAG.

Oversight assumes any unutilized balance of the \$818,593 appropriation from FY 2005 could cover costs resulting from this proposal.

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

This substitute allows a veteran of World War II or the Korean War to receive a medallion, medal, and certificate of appreciation if he or she was a Missouri resident at the time of entering or being discharged from military service, regardless of whether or not the veteran is currently a Missouri resident.

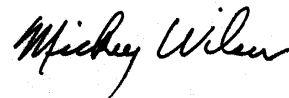
Also, current law requires that applications for the World War II and the Korean Conflict medallion, medal, and certificate be filed with the Office of the Adjutant General before July 1, 2004 and January 1, 2005, respectively. This substitute extends the deadlines indefinitely, or until the supplies of medals is exhausted.

DESCRIPTION (continued)

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
Missouri Veterans Commission
Office of the Adjutant General

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Director
March 2, 2005