

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4144-01
Bill No.: HB 1237
Subject: Children and Minors; Education, Higher; Higher Education Dept.; Veterans.
Type: Original
Date: February 13, 2006

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
General Revenue *	\$0 to (\$270,275)	\$0 to (\$283,800)	\$0 to (\$298,000)
Total Estimated Net Effect on General Revenue Fund *	\$0 to (\$270,275)	\$0 to (\$283,800)	\$0 to (\$298,000)

* subject to appropriation

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
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 \$1,500. 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.

ASSUMPTION (continued)

Officials from the **Department of Higher Education** (DHE) assume the proposed legislation would make available a grant for children of veterans killed in combat to pay actual 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 by the legislation. 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 2005 is \$5,811. DHE assumes that all 25 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 \$10,811.

At an amount of \$10,811 per student, the cost for FY 2007 would total \$270,275. If tuition and fees increase 5% per year, the cost for FY 2008 would be \$11,352 per student for a total of \$283,800 and the cost for FY 2009 would be \$11,920 per student for total of \$298,000.

DHE also assumes a 1.0 FTE Research Associate position would be needed at an estimated salary of \$35,000 plus associated expense and equipment beginning in FY 2007. That Research Associate would be responsible for overall administration of this program, including reviewing institutional eligibility requirements and working with participating institutions in order to distribute funds accurately and smoothly.

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 \$270,275 for FY 2007, from \$0 to \$283,800 for FY 2008, and from \$0 to \$298,000 for FY 2009. The amount awarded would also be limited to the amount appropriated for the program.

Officials from the **Department of Public Safety, Missouri Veterans Commission** assume the proposal would have no fiscal impact on their organization.

<u>FISCAL IMPACT - State Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
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GENERAL REVENUE FUND

<u>Cost - Department of Higher Education</u> Scholarships *	<u>\$0 to (\$270,275)</u>	<u>\$0 to (\$283,800)</u>	<u>\$0 to (\$298,000)</u>
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ESTIMATED NET EFFECT ON GENERAL REVENUE FUND *	<u>\$0 to</u> <u>(\$270,275)</u>	<u>\$0 to</u> <u>(\$283,800)</u>	<u>\$0 to</u> <u>(\$298,000)</u>
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*subject to appropriation

<u>FISCAL IMPACT - Local Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
	<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 proposal would create a college scholarship program for up to twenty-five surviving children of veterans killed in combat. The Coordinating Board for Higher Education would promulgate all necessary rules and regulations for the implementation of this program; provide the forms and determine the procedures necessary for a survivor to apply for and receive a grant; determine minimum standards of performance for a survivor to remain eligible under the program; and make funding make available on behalf of recipients.

In order to receive a grant pursuant to this section, a survivor would be certified as eligible by a Missouri state veterans service officer. In the case of an illness-related death, such certification would be made upon qualified medical certification by a Veterans Administration medical authority that the illness was or could have been contracted while serving in combat and contributed to or was the cause of death of the veteran.

DESCRIPTION (continued)

An eligible survivor who is enrolled or has been accepted for enrollment as an undergraduate student at an approved institution of higher education could receive a grant in an amount not to exceed actual tuition, as defined in this section, an allowance of up to two thousand dollars per semester for room and board, and the actual cost of books, up to a maximum of five hundred dollars per semester, charged where the survivor is enrolled or accepted for enrollment.

The grant would be available only so long as the survivor is enrolled in a program leading to a certificate, or an associate or baccalaureate degree. In no event could a survivor receive a grant beyond the completion of the first baccalaureate degree, regardless of age. No survivor could receive more than one hundred percent of tuition and books when combined with other similar funds made available to such survivor.

If the waiting list of eligible survivors exceeds fifty, the Coordinating Board for Higher Education may petition the general assembly to expand the quota. If the quota is not expanded the eligibility of survivors on the waiting list shall be extended.

A grant recipient may transfer from one approved public institution to another without losing his or her entitlement under this section. The Coordinating Board for Higher Education shall make any necessary adjustments in the amount of the grant. If a grant recipient withdraws from the institution so that under the rules and regulations of that institution he or she is entitled to a refund of any tuition, fees, room and board, books, or other charges, the institution shall refund the portion attributable to the grant the Coordinating Board for Higher Education.

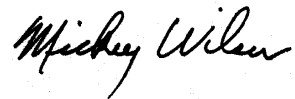
If a survivor receives financial assistance under any other student aid program, public or private, the full amount of such aid shall be reported to the Coordinating Board for Higher Education by the institution and the recipient.

Nothing in this proposal could construed as a promise or guarantee that a person would be admitted to an institution of higher education or to a particular institution, allowed to continue to attend after having been admitted, or be graduated from an institution of higher education.

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
Missouri Veterans Commission

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

Mickey Wilson, CPA
Director
February 13, 2006