

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5137-01
Bill No.: HB 1787
Subject: Economic Development Department; National Guard
Type: Original
Date: March 7, 2006

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

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 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Federal Funds	(\$360,555)	(\$350,000)	(\$350,000)
Total Estimated Net Effect on <u>All</u> Federal Funds*	(\$360,555)	(\$350,000)	(\$350,000)

* Subject to appropriation

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 Adjutant General** assume the proposal will not fiscally impact their agency.

Officials from the **Department of Economic Development - Division of Workforce Development (DWD)** state the accounting staff needed; at the state (1), regional (4), and subcontractor (4) level to perform accounting functions estimated to take approximately four hours per month. The Monitoring Staff at the state (2) and regional (1) level will need to perform programmatic and financial monitoring on-site annually is estimated to take 40 hours per year per staff. 80 hours of programming is required to enable tracking of participants and costs associated in the State Toolbox system. If current service providers in place are not acceptable for the Guard at Home, 80 hours at the four regional levels will be needed to develop and award the request for proposal (RFP).

DED estimates the cost of .21 FTE Accountant IIs and .31 FTE Senior Auditor for all three fiscal years to be \$21,439 in FY 2007, \$25,465 in FY 2008 and \$26,102 in FY 2009. DED also estimates programming costs of \$2,480 and cost associated with developing and awarding the RFP of \$8,075, each in FY 2007. DED assumed the anticipated costs would be paid from Federal Funds.

RS:LR:OD (12/02)

ASSUMPTION (continued)

Oversight assumes DED will incur the programming and RFP expense in FY 2007, but will be able to administer the program with existing resources.

The House Committee Substitute for HB 1007 from this year contains an appropriation (Section 7.132) to transfer federal funds to the Guard at Home fund in the amount of \$350,000.

Therefore, **Oversight** will show an annual appropriation from federal funds in the amount of \$350,000 for this program. Actual appropriations could vary.

Officials from the **City of St. Louis** and **St. Louis County** did not respond to our request for fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2007	FY 2008	FY 2009
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FEDERAL FUNDS

Costs - Department of Economic
Development

Programming and RFP costs	(\$10,555)	\$0	\$0
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Costs - Department of Economic
Development

Guard at Home appropriation	<u>(\$350,000)</u>	<u>(\$350,000)</u>	<u>(\$350,000)</u>
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**ESTIMATED NET EFFECT TO THE
FEDERAL FUNDS***

	<u>(\$360,555)</u>	<u>(\$350,000)</u>	<u>(\$350,000)</u>
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* Subject to appropriation.

<u>FISCAL IMPACT - Local Government</u>	FY 2007	FY 2008	FY 2009
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This proposal establishes the Guard at Home Program which will serve 100 families living in southeast and southwest Missouri or the St. Louis metropolitan area. The purpose of the program is to assist the spouse of an active-duty National Guard or reservist by addressing his or her immediate needs and employment in order to keep the family from falling into poverty while the primary income earner is on active duty and to help returning troops find work in situations where an individual needs to rebuild business clientele or where an individual's job was eliminated while on deployment.

The Department of Economic Development is required to hire a contractor to administer the program. The Division of Job Development and Training will ensure that the contractor meets certain qualifications specified in the bill. The division will develop the criteria of the contract based on the following:

- (1) Eligible program participants will be families where:
 - (a) The primary income earner was called to active duty in defense of the United States for more than four months;
 - (b) The primary income is no longer available;
 - (c) The family is experiencing a significant hardship due to financial burdens; and
 - (d) The family has no outside resources available to assist with these hardships; and
- (2) Services may be provided to families in order to alleviate an immediate crisis and to provide economic stability while the primary income is not available due to the active military commitment. The bill specifies some of the services which may be provided.

The department will report to the President Pro Tem of the Senate and the Speaker of the House of Representatives on the operation and progress of the program by January 1, 2007.

The bill becomes effective on July 1, 2006, and the division must make every effort to ensure that participating families are being served by August 1, 2006.

DESCRIPTION (continued)

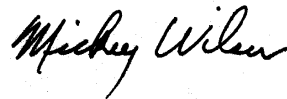
The bill contains an emergency clause.

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 Economic Development
Office of the Adjutant General

NOT RESPONDING: City of St. Louis, St. Louis County

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

Mickey Wilson, CPA
Director
March 7, 2006