

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0830-02  
Bill No.: HCS for HB 111  
Subject: Education, Higher; Higher Education Department  
Type: Original  
Date: February 28, 2007

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Bill Summary: This proposal establishes a scholarship program for the survivors of veterans killed or injured in action after September 11, 2001.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
General Revenue	(\$319,600)	(\$329,325)	(\$339,550)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(\$319,600)</b>	<b>(\$329,325)</b>	<b>(\$339,550)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
<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 6 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
<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 2008	FY 2009	FY 2010
<b>Total Estimated Net Effect on FTE</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 2008	FY 2009	FY 2010
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## **FISCAL ANALYSIS**

### **ASSUMPTION**

Officials at the **Department of Higher Education (DHE)** assume the proposed legislation would create the "military member survivor grant" to pay tuition, other required fees, room and board (capped at \$2000 per semester), and books (\$500 maximum per semester) at any public or private college or university for any eligible student as defined by the legislation. The 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 extent to which this program would be utilized is currently unknown, as the potential applicants are unknown. As it is open to dependents of "any member of the military... who was killed in combat action after September 11, 2001, or who became eighty percent disabled as a result of injuries sustained in combat action after September 11, 2001," it is difficult to know the number of those currently eligible that would want to take advantage of a program such as this and impossible to predict those who may become eligible in the future. As it is impossible to predict the future, the number of eligible recipients is unknown. It is difficult to determine which soldiers would qualify under the criteria, and further the number of spouses or dependents that would qualify and would want to take advantage of this program.

The annual amount for a typical full-time undergraduate student at the University of Missouri - Columbia taking 15 credit hours per semester was \$7,784 in fall 2006. The maximum allowable expenses of \$2000 per semester for room and board and \$500 per semester for books were utilized for this calculation, bringing the total amount per eligible student to \$12,784 the first year. Given the fact that the number of eligible recipients is unknown, for purposes of calculating this fiscal note, it is assumed for FY 2008 and subsequent fiscal years that there would be a minimum of 25 awards distributed. At an amount of \$12,784 per student, the first year of grants would total \$319,600. Assuming tuition and fees cost rise 5% for FY 2009, the total that year would be \$13,173 per student for a grand total of \$329,325 for all 25. At another 5% increase, FY 2010 would cost \$13,582 per student with a grand total of \$339,550. According to this legislation, the number of recipients is not capped at 25 and therefore may exceed 25 which could increase the costs in any given fiscal year.

Officials at the **Department of Public Safety, Missouri Veterans Commission** and the **National Guard** each assume no fiscal impact for their departments from this proposal.

**Oversight** assumes that since the legislation limits the number of grants to 25 grants per year without additional appropriation that the maximum number of students who could receive the

ASSUMPTION (continued)

grant in the upcoming fiscal years is 25. Oversight assumes that all 25 grants will be awarded each year.

Officials from the **Office of the Secretary of State (SOS)** state 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, the SOS also recognizes 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 the office can sustain with the core budget. Therefore, the SOS reserves 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.

**Oversight** assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

<u>FISCAL IMPACT - State Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
<b>GENERAL REVENUE</b>			
<u>Cost - Department of Higher Education</u>			
Veterans tuition waiver	<u>(\$319,600)</u>	<u>(\$329,325)</u>	<u>(\$339,550)</u>
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<b><u>(\$319,600)</u></b>	<b><u>(\$329,325)</u></b>	<b><u>(\$339,550)</u></b>
<u>FISCAL IMPACT - Local Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

### FISCAL IMPACT - Small Business

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

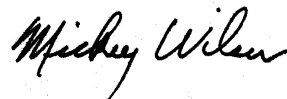
### FISCAL DESCRIPTION

This bill allows the spouse and children of a soldier who is killed in action after September 11, 2001, or who becomes 80% disabled as the result of an injury sustained in combat action after September 11, 2001, to receive an educational grant for tuition at a public or private college or University in Missouri. The Coordinating Board of Higher Education will award up to 25 grants annually. If the waiting list of eligible survivors exceeds 50, the board can ask the General Assembly to increase the number of grants it is authorized to award. The tuition grant cannot exceed what is charged a resident by the University of Missouri-Columbia. The veteran must have been a Missouri resident at the time of death or injury in order for his or her survivors to receive this grant. In addition to the full cost of tuition, the grant includes \$2,000 per semester for room and board and the actual cost of books up to \$500 per semester. Children are eligible to receive the scholarship until age 25. Spouses are eligible until age 45. No eligible student will receive a grant for more than 100% of tuition when combined with similar funds given to the student.

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 Higher Education  
Office of the Secretary of State  
Department of Public Safety  
Missouri Veterans Commission  
Missouri National Guard



Mickey Wilson, CPA  
Director

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