

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4411-03  
Bill No.: HB 2062  
Subject: Military Affairs; Veterans; Education, Elementary and Secondary; Elections  
Type: Original  
Date: March 10, 2008

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Bill Summary: This proposal changes laws regarding members of the military and their families.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>
General Revenue	(\$179,848 to \$333,533 to Unknown)	(\$181,493 to \$339,789 to Unknown)	(\$183,188 to \$346,232 to Unknown)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(\$179,848 to \$333,533 to Unknown)</b>	<b>(\$181,493 to \$339,789 to Unknown)</b>	<b>(\$183,188 to \$346,232 to Unknown)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>
<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 9 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
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>

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
<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).

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

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## **FISCAL ANALYSIS**

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### **ASSUMPTION**

Officials from the **Department of Economic Development, Office of the Secretary of State - Elections** and the **Department of Public Safety - Director's Office** each assume the proposal would not fiscally impact their respective agencies.

Officials from the **Missouri Veterans' Commission (VET)** assume they would incur \$2,500 per year in expenses from this proposal.

**Oversight** assumes the VET will be able to absorb an addition \$2,500 of expenses within their existing appropriations.

Officials from the **Department of Elementary and Secondary Education (DESE)** state it is impossible to calculate a fiscal impact for Section 4 because we cannot know how many students will take advantage of this program. Since the virtual school program has limited enrollment, a question arises due to the proposed language. If a student enrolls after the state funded seats are filled, would the state be required to enroll and fund that additional student or would one of the other students be removed?

Regarding Section 5, DESE states there does not appear to be a significant state cost associated with this language; however, those districts located close to military bases this will have significant impact. We defer to those districts regarding the time and costs involved.

Regarding Section 168.021.5, DESE states there is no fiscal impact; however, the language conflicts with the statutes requiring a background clearance on all new hires. The proposal establishes a fourth reason to issue a provisional certificate (i.e. marriage to someone in the military). This reason will not pass muster with the No Child Left Behind Act. People with out-of-state licenses are not delayed or hindered from getting Missouri licenses due to background checks; therefore, the added language is unnecessary.

**Oversight** will utilize DESE's assumption of an unknown fiscal impact to the General Revenue fund for Section 4. Oversight assumes there would be some additional expense to the state for these students who utilize the state virtual school.

**Oversight** will assume Section 5 will not cause a fiscal impact to local school districts since the proposal states the governing board of a school district may do those actions. Oversight assumes this section is permissive in nature.

ASSUMPTION (continued)

Officials from the **Office of the Secretary of State (SOS)** assume 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, 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.

Officials from the **Coordinating Board for Higher Education (CBH)** state the bill would create a state-administered scholarship program for the survivors of certain veterans. The CBH and its administrative arm, the Missouri Department of Higher Education (MDHE), are assigned responsibility for administering the program, including promulgating rules, providing forms, and determining application procedures.

The Missouri Veterans' Commission or the federal Veterans' Administration are responsible for determining if a recipient qualifies as a "survivor" within the definitions in this bill. The MDHE is responsible for determining if a recipient meets the other eligibility requirements.

The MDHE would also be responsible for distributing the scholarships. The MDHE assumes that it would award 25 scholarships each year. The worksheet submitted in connection with this note shows the range of expenses, depending on whether recipients attend the a college/university that is as expensive or more expensive than the University of Missouri-Columbia (\$8,093 for FY '08 - which is the highest amount of tuition for which a student can receive a scholarship in this bill), or the least expensive public institution in the state, East Central College (\$2,910.00 for FY '08). The MDHE assumes that tuition at each institution will increase by 3% per year. We assume that each recipient would receive the full \$2,000 per semester for room and board, and the full \$500 per semester for books.

Based on those assumptions, the MDHE concludes that the following costs would be associated with the scholarship benefits described in the bill (including books and expenses):

For FY 09, the cost will be between \$179,847.50 and \$333,532.77;  
For FY 10, the cost will be between \$181,492.93 and \$339,788.75; and  
For FY 11, the cost will be between \$183,187.71 and \$346,232.42.

ASSUMPTION (continued)

In addition, the MDHE assumes that it would need one additional staff person to administer the program. An additional staff person, hired at the level of program specialist, would be necessary for the proper administration of the program.

The tuition costs per student with FY 2008 as base year and assuming a 3% inflation rate.

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
East Central Tuition	\$2,130	\$2,194	\$2,260	\$2,328	\$2,397
UMC Tuition	\$8,098	\$8,341	\$8,592	\$8,849	\$9,115

	FY '09 Low Est.	FY '09 High Est.	FY '10 Low Est.	FY '10 High Est.	FY '11 Low Est.	FY '11 High Est.
Number of Grants	25	25	25	25	25	25
Tuition	\$54,848	\$208,533	\$56,493	\$217,789	\$58,188	\$221,232
Books	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
Room & Board	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Total	\$179,848	\$333,533	\$181,493	\$339,789	\$183,188	\$346,232

**Oversight** will assume the MDHE will be able to administer the 25 scholarships with existing personnel.

Officials from **Franklin County, Cole County, Hickory County, Montgomery County, Springfield Public Schools, Waynesville School District, and Knob Noster School District** did not respond to our request for fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2009	FY 2010	FY 2011
<b>GENERAL REVENUE</b>			
<u>Expense</u> - Department of Higher Education			
Grants for 25 survivor children for tuition, books and room & board	(\$179,848 to \$333,533)	(\$181,493 to \$339,789)	(\$183,188 to \$346,232)
<u>Costs</u> - Department of Elementary and Secondary Education - additional students enrolled in virtual school (Section 4)	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>
<b>ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND</b>	<b>(\$179,848 to \$333,533 to <u>Unknown</u>)</b>	<b>(\$181,493 to \$339,789 to <u>Unknown</u>)</b>	<b>(\$183,188 to \$346,232 to <u>Unknown</u>)</b>

<u>FISCAL IMPACT - Local Government</u>	FY 2009	FY 2010	FY 2011
	<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 proposal changes the laws regarding members of the military and their families. In its main provisions, the bill:

- (1) Adds the chairman of the Missouri Veterans Commission to the Missouri Military Preparedness and Enhancement Commission and clarifies that the commission's duties include developing policies and methods to improve the prosperity and employment opportunities of

retired military members and the families of former military members;

FISCAL DESCRIPTION (continued)

(2) Specifies that the chair of the Missouri Military Preparedness and Enhancement Commission will be an ex officio member of the Missouri Veterans Commission and the commission will help veterans who are legal residents of Missouri;

(3) Allows a person in federal service who is eligible to register, but has not registered, to vote in any election. Currently, a person in federal service can only vote in a federal election;

(4) Allows a military dependent who has completed an accredited pre-kindergarten or kindergarten program in another state to enter kindergarten or first grade even if the child has not reached the required age for Missouri schools by August 1;

(5) Requires the State Board of Education to establish a rule to allow the issuance of a provisional teacher's certificate before the completion of a background check to the spouse of a military member who holds a teacher's certificate in another state that requires a background check and who has relocated within the last year;

(6) Allows school districts to accept a course in government completed in another state when a student transfers to a Missouri high school in ninth to twelfth grade to satisfy the state's graduation requirement;

(7) Establishes a new grant program for war veteran survivors at public higher education institutions. Twenty-five grants will be available annually, subject to appropriations, for the children or spouses of deceased or disabled Missouri resident veterans of combat for tuition and up to \$500 for the actual cost of books, with at least \$2,000 per semester for room and board. The grant may not be used for graduate study and is not available to a surviving child who is 25 years of age or older. Survivors must be certified as eligible by the Missouri Veterans Commission or a United States Veterans Affairs medical authority;

(8) Renames the Guard at Home Program to the Hero at Home Program and extends the program to cover the first year after discharge from deployment, to cover reservists, and to cover situations in which an individual cannot return to his or her previous employment;

(9) Requires the Department of Higher Education to establish a rule ensuring that resident tuition continues to be available to the spouse and dependents of any military family who remain in Missouri after the military member has retired, died, or been reassigned;

(10) Requires the State Board of Education to pursue reciprocity agreements with other states for the transfer of students who are military dependents and specifies the contents of the agreements,

FISCAL DESCRIPTION (continued)

which focus on the granting of credit;

(11) Requires the Department of Elementary and Secondary Education to facilitate agreements between school districts and military installations to address strategies to assist children in transition to Missouri schools;

(12) Specifies that certain military dependents will be eligible to enroll full time in courses through the Missouri Virtual School; and

(13) Allows school districts to establish course credit and other policies to assist military dependents in meeting graduation requirements.

The bill contains an emergency clause except for the provisions regarding membership in the Missouri Preparedness and Enhancement Commission and the renaming of the Guard at Home Program.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

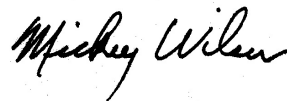


SOURCES OF INFORMATION

Department of Public Safety  
Missouri Veterans Commission  
Office of the Secretary of State  
Department of Elementary and Secondary Education  
Department of Higher Education  
Department of Economic Development

**NOT RESPONDING:**

**Franklin County**  
**Cole County**  
**Hickory County**  
**Montgomery County**  
**Springfield Public Schools**  
**Waynesville School District**  
**Knob Noster School District**



Mickey Wilson, CPA  
Director  
March 10, 2008