

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 6645-01
Bill No.: HB 2657
Subject: Education, Higher; Higher Education, Department; Veterans
Type: Original
Date: April 8, 2016

Bill Summary: This proposal re-authorizes the War Veterans Survivor Benefits Program.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
General Revenue	(Up to \$289,400)	(Up to \$289,400)	(Up to \$289,400)
Total Estimated Net Effect on General Revenue	(Up to \$289,400)	(Up to \$289,400)	(Up to \$289,400)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
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 2017	FY 2018	FY 2019
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on FTE	0	0	0

☒ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Oversight was unable to receive some of the agency responses in a timely manner due to the short fiscal note request time. Oversight has presented this fiscal note on the best current information that we have or on prior year information regarding a similar bill. Upon the receipt of agency responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval of the chairperson of the Joint Committee on Legislative Research to publish a new fiscal note.

Oversight notes this proposal extends the sunset on the Wartime Veterans Survivor Grant Program. The program provides up to 25 grants annually to the spouse or children of Missouri veterans who died or became disabled from combat. The grant includes tuition (capped at the rate charged by the University of Missouri) plus up to \$2,000 for room and board and \$500 for books per semester. Based on 12 semester hours, the maximum annual award is \$11,576 per grant.

Table 1 - Historical Data on Program

	FY 2012	FY 2013	FY 2014	FY 2015 Projected	FY 2016 Projected
Number of Individuals	10	9	7	15	15
Total Awards	\$40,285	\$216,717	\$191,682	\$241,250	\$241,250

Source: Department of Higher Education

Officials at the **Department of Higher Education (DHE)** assume in FY 2014, DHE paid 7 students for a total cost of \$71,866. In FY 2015, the DHE paid 10 students for a total cost of \$83,202. Assuming three additional students receive the grant each year over the cost of the fiscal note period at an average award of \$9,000, the cost in FY 2017 would be \$144,000, the cost in FY 2018 would be \$171,000, and the cost in FY 2019 would be \$198,000.

Oversight notes this grant program originally sunset on August 28, 2014. This proposal would extend the sunset until August 28, 2020.

ASSUMPTION (continued)

Oversight assumes it is difficult to calculate the number of eligible students that may receive this award in the future. Oversight will show the impact as up to the maximum award amount of \$289,400 (25 awards x \$11,576 maximum award) allowed per statute.

<u>FISCAL IMPACT - State Government</u>	FY 2017	FY 2018	FY 2019
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GENERAL REVENUE

Cost - Dept of Higher Education - extension of the wartime veterans grant program	(Up to <u>\$289,400</u>)	(Up to <u>\$289,400</u>)	(Up to <u>\$289,400</u>)
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ESTIMATED NET EFFECT ON GENERAL REVENUE	(Up to <u>\$289,400</u>)	(Up to <u>\$289,400</u>)	(Up to <u>\$289,400</u>)
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<u>FISCAL IMPACT - Local Government</u>	FY 2017	FY 2018	FY 2019
	<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.

FISCAL DESCRIPTION

This bill re-authorizes the War Veteran's Survivor Benefits Program and provides a new expiration date of August 28, 2020.

This act 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 Higher Education

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

Mickey Wilson, CPA
Director
April 8, 2016

Ross Strobe
Assistant Director
April 8, 2016