

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4882H.01I
Bill No.: HB 2166
Subject: Veterans; Business and Commerce; Vital Statistics; Military Affairs; National Guard; Education, Higher
Type: Original
Date: January 9, 2024

Bill Summary: This proposal modifies provisions relating to veterans' affairs.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND				
FUND AFFECTED	FY 2025	FY 2026	FY 2027	Fully Implemented (FY 2028)
General Revenue	Up to (\$409,375)	Up to (\$417,113)	Up to (\$421,693)	(\$138,591)
Total Estimated Net Effect on General Revenue	Up to (\$409,375)	Up to (\$417,113)	Up to (\$421,693)	(\$138,591)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS				
FUND AFFECTED	FY 2025	FY 2026	FY 2027	Fully Implemented (FY 2028)
Colleges and Universities	Up to (\$2,467,590)	Up to (\$2,467,590)	Up to (\$2,467,590)	Up to (\$2,467,590)
Children's Trust	Up to (\$133,333)	Up to (\$160,000)	Up to (\$160,000)	Up to (\$80,000)
MO Public Health Services	Up to (\$80,000)	Up to (\$96,000)	Up to (\$96,000)	Up to (\$48,000)
Endowed Cemetery Audit	Up to (\$26,667)	Up to (\$32,000)	Up to (\$32,000)	Up to (\$16,000)
MO Coroners Training	Up to (\$26,667)	Up to (\$32,000)	Up to (\$32,000)	Up to (\$16,000)
Total Estimated Net Effect on Other State Funds	Up to (\$2,734,257)	Up to (\$2,787,590)	Up to (\$2,787,590)	Up to (\$2,627,590)

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS				
FUND AFFECTED	FY 2025	FY 2026	FY 2027	Fully Implemented (FY 2028)
Total Estimated Net Effect on All Federal Funds	\$0	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)				
FUND AFFECTED	FY 2025	FY 2026	FY 2027	Fully Implemented (FY 2028)
General Revenue	Up to 4 FTE	Up to 4 FTE	Up to 4 FTE	1 FTE
Total Estimated Net Effect on FTE	Up to 4 FTE	Up to 4 FTE	Up to 4 FTE	1 FTE

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS				
FUND AFFECTED	FY 2025	FY 2026	FY 2027	Fully Implemented (FY 2028)
Local Government	(Unknown)	(Unknown)	(Unknown)	(Unknown)

FISCAL ANALYSIS

ASSUMPTION

§173.239 – Tuition waiver for eligible MONG members

Officials from the **University of Missouri System (UM or University)** state the University has determined that 120 credit hours tuition cost \$51,472 in academic year 2024. This fiscal impact would be this amount multiplied by the number of students who were eligible to receive this waiver, which the University cannot estimate at this time.

Oversight notes the University of Missouri's response indicates an average cost per credit hour of \$429 ($\$51,472 / 120$ hours) for academic year 2024.

Oversight obtained information from the Missouri National Guard (MONG). The MONG stated there are currently 10,638 active MONG members and that during FY 2023, 991 members utilized the state tuition assistance program. In addition, the MONG reimburses members up to \$346 per undergraduate credit hour completed. The proposal will have no fiscal impact on the MONG as it would continue to provide tuition assistance up to their maximum amount.

Oversight assumes this proposal could negatively impact UM and other qualifying colleges and universities by up to \$83 ($\$429 - \346) per credit hour or \$9,960 per undergraduate degree. If all 991 MONG members received a waiver of fees above those reimbursed by the MONG, the fees lost could total up to \$9,870,360. It is further assumed that a 120 credit hours will take the average student 4 years to complete. Therefore, Oversight assumes College and University Funds could lose fees up to \$2,467,590 per year ($\$9,870,360 / 4$ years) and be fully implemented in FY 2028.

Community colleges would also be impacted by this proposal. However, since no community colleges responded to Oversight's fiscal note request, Oversight will present an unknown loss of fees to Local Governments – Community Colleges.

§193.265 – Death certificates for veterans

Officials from the **Department of Health and Senior Services (DHSS)** state §193.265.7 of this proposed legislation states that no fee shall be required or collected for the issuance of a certification, or copy of such certification, of death of a veteran if the request is made by the veteran's legal representative, the executor or administrator of the veteran's estate, any family member of the veteran authorized to obtain a copy of such certification, or a qualified veterans' organization that takes possession of the veteran's remains with the intention of properly disposing of such remains. Only one certificate shall be provided without cost and for the issuance of any additional certificates, the statutory fee shall be paid.

The current Missouri Certificate of Death captures the field “Decedent ever in United States armed forces”. Therefore, using a 2020 to 2023 yearly average of the number of death certificates (75,828) with an answer of “yes” to the above stated question (15,902), a statistical percentage of 20.8 percent of all Missouri recorded deaths each year is obtained. Therefore, a total current number equaling **15,902 death certificates of veterans per year**. The first copy of each death certificate costs \$14.00.

The Bureau of Vital Records began recording deaths in 1910 and currently maintains approximately 6.18 million death certificates available for issuance. 20.89 percent of these certificates equates to 1,291,002 certificates that are eligible for one-time free issuance under this proposed legislation. Since the proposed legislation does not limit “veteran” to having served in the United States armed forces, like the current death certificate is worded, the total number of eligible death certificates to be issued for free under this proposed legislation could be greater than estimated in this fiscal note. The total loss of certificate revenue for the issuance of these certificates assuming only United States veterans qualify at 100 percent would equate to approximately \$18,074,028 in certificate revenue. This amount separated out across an estimated 34-month customer certification request period (fiscal note timeframe – 10 months, 12 months, 12 months) would be the equivalent to \$5,315,891 (10 months equaling a total of 379,706.47 requests) for fiscal year 2025, \$6,379,068.64 (12 months equaling a total of 455,648 requests) for fiscal year 2026, and \$6,379,068.64 (12 months equaling a total of 455,648 requests) for fiscal year 2027. If all eligible customers requested free certificates in a different timeline than forecasted above, the fiscal impact would be shifted accordingly to the fiscal year in which the one-time request occurred.

A well-trained administrative support assistant within the Bureau of Vital Records can issue a request for a vital record in approximately 15 minutes. Utilizing the same certificate requests amounts outlined above per fiscal year 2025 to fiscal year 2027, and assuming a 100 percent certificate request rate of all currently eligible death certificates, approximately 13 FTEs would be required to process these requests if the requests were submitted to the Bureau of Vital Records over a 34-month period. After this 34-month period, assuming a majority of historical copies eligible for issuance have been requested, one additional FTE would be necessary, in perpetuity, to issue ongoing free certificates as new veteran deaths occur and become eligible.

This FTE count would also be assuming a notable lead or processing time on each request based on actual real-life factors such as training, breaks, and leave usage. These variables would change based on volume and timeline of actualized requests.

The estimated 34-month customer certification request period was used in an effort to fairly calculate costs and in an attempt to replicate the realistic request process for these free certificates and factor in that requestors would only be eligible one-time. To verify eligibility of requestor, a form, along with verifying documentation on legacy death records (1910-mid 1940s) where veteran status is not recorded, and vital records system changes will be necessary to implement this legislation.

To modify provisions relating To Veterans' Affairs, ITSD will need to modify 7-pgms in regards to the issuance of Death Certificates. ITSD estimates a cost of \$9,072 (86.40 hours x \$105 hourly rate).

Death certificates have a current fee split of \$5.00 per certificate to the Children's Trust Fund; \$3.00 to the Missouri Public Health Service Fund; \$4.00 to General Revenue; \$1.00 to Endowed Care Cemetery, and \$1.00 to Coroners' Training Fund.

Oversight assumes most requests for a deceased veteran's death certificate will be made from the veteran's representative within the first couple of years following the death of the individual. Therefore, for fiscal note purposes, Oversight assumes DHSS will provide approximately 32,000 (16,000 * 2 years) free death certificates each year for FY 2025 – FY 2027. For FY 2028 and beyond, it is assumed any backlog will be worked through and DHSS will issue approximately 16,000 death certificates for veterans per year.

Using DHSS' estimate that an administrative support assistant can process 4 certificates per hour (15 minutes each), DHSS would need 4 FTE Administrative Assistants for FYs 2025 – 2027 and then 1 FTE for FY 2028 and beyond. The three (3) FTE no longer needed to process death certificates in FY 2028 and beyond are assumed to be absorbed in other positions within the department or leave through attrition.

Therefore, 32,000 certificates/year / 32 certificates processed per day (4/hour * 8 hours) = 1,000 processing days. 2,080 hours / FTE/ year = 260 work days/ year. 1,000 days / 260 days/year = 3.85 FTE (rounded to 4 FTE). Oversight will range FTE and related costs as "Up to" for FYs 2025 – 2027. It is assumed DHSS will need 1 FTE for FY 2028.

Oversight assumes if DHSS needs additional staff and resources, they can request additional funding through the appropriations process.

In addition, Oversight assumes the DHSS will lose the \$14 death certificate fee for 32,000 certificates for each FYs 2025 – 2027 for a total of \$448,000 annually and then \$224,000 annually beginning with FY 2028.

Death certificates have a current fee split of \$5.00 per certificate to the Children's Trust Fund; \$3.00 to the Missouri Public Health Service Fund; \$4.00 to General Revenue; \$1.00 to Endowed Care Audit Fund, and \$1.00 to Coroners' Training Fund.

Bill as a whole

Officials from the **Department of Commerce and Insurance**, the **Department of Economic Development**, the **Department of Higher Education and Workforce Development (DHEWD)**, the **Department of Public Safety - Missouri Veterans Commission**, and the **Missouri National Guard** each assume the proposal will have no fiscal impact on their

respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

Oversight only reflects the responses received from state agencies and political subdivisions; however, other colleges and universities were requested to respond to this proposed legislation but did not. A listing of political subdivisions included in the Missouri Legislative Information System (MOLIS) database is available upon request.

<u>FISCAL IMPACT – State Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027	Fully Implemented (FY 2028)
GENERAL REVENUE FUND				
	Up to...	Up to...	Up to...	
<u>Costs – DHSS (§193.265) p. 4-6</u>				
Personal service	(\$121,703)	(\$148,965)	(\$151,944)	(\$38,746)
Fringe benefits	(\$97,238)	(\$117,818)	(\$118,973)	(\$30,038)
Equipment and expense	(\$74,695)	(\$22,330)	(\$22,776)	(\$5,807)
ITSD costs	<u>(\$9,072)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total Costs - DHSS	(\$302,708)	(\$289,113)	(\$293,693)	(\$74,591)
FTE Change - DHSS	Up to 4 FTE	Up to 4 FTE	Up to 4 FTE	1 FTE
<u>Loss – DHSS – Reduction in death certificate fees (§193.265) p. 4-6</u>				
	(\$106,667)	(\$128,000)	(\$128,000)	(\$64,000)
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	<u>Up to (\$409,375)</u>	<u>Up to (\$417,113)</u>	<u>Up to (\$421,693)</u>	<u>(\$138,591)</u>
Estimated Net FTE Change on the General Revenue Fund	Up to 4 FTE	Up to 4 FTE	Up to 4 FTE	1 FTE

<u>FISCAL IMPACT – State Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027	Fully Implemented (FY 2028)
COLLEGE AND UNIVERSITY FUNDS				
<u>Loss</u> –Colleges and Universities – Reduction in fees collected due to tuition and waiver of fees for undergraduate MONG members (§173.239) p.4	Up to <u>(\$2,467,590)</u>	Up to <u>(\$2,467,590)</u>	Up to <u>(\$2,467,590)</u>	Up to <u>(\$2,467,590)</u>
ESTIMATED NET EFFECT ON COLLEGE AND UNIVERSITY FUNDS	<u>Up to</u> <u>(\$2,467,590)</u>	<u>Up to</u> <u>(\$2,467,590)</u>	<u>Up to</u> <u>(\$2,467,590)</u>	<u>Up to</u> <u>(\$2,467,590)</u>
CHILDRENS TRUST FUND (0694)				
	Up to...	Up to...	Up to...	Up to...
<u>Loss</u> – DHSS – Reduction in death certificate fees (§193.265) p. 4-6	(\$133,333)	(\$160,000)	(\$160,000)	(\$80,000)
ESTIMATED NET EFFECT ON THE CHILDRENS TRUST FUND	<u>Up to</u> <u>(\$133,333)</u>	<u>Up to</u> <u>(\$160,000)</u>	<u>Up to</u> <u>(\$160,000)</u>	<u>Up to</u> <u>(\$80,000)</u>
MO PUBLIC HEALTH SERVICES FUND (0298)				
	Up to...	Up to...	Up to...	Up to...
<u>Loss</u> – DHSS – Reduction in death certificate fees (§193.265) p. 4-6	(\$80,000)	(\$96,000)	(\$96,000)	(\$48,000)
ESTIMATED NET EFFECT ON THE MO PUBLIC HEALTH SERVICES FUND	<u>Up to</u> <u>(\$80,000)</u>	<u>Up to</u> <u>(\$96,000)</u>	<u>Up to</u> <u>(\$96,000)</u>	<u>Up to</u> <u>(\$48,000)</u>

<u>FISCAL IMPACT – State Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027	Fully Implemented (FY 2028)
ENDOWED CEMETERY AUDIT FUND (0562)				
	Up to...	Up to...	Up to...	Up to...
<u>Loss</u> – DHSS – Reduction in death certificate fees (§193.265) p. 4-6	(\$26,667)	(\$32,000)	(\$32,000)	(\$16,000)
ESTIMATED NET EFFECT ON THE ENDOWED CEMETERY AUDIT FUND	<u>Up to (\$26,667)</u>	<u>Up to (\$32,000)</u>	<u>Up to (\$32,000)</u>	<u>Up to (\$16,000)</u>
MO CORONERS TRAINING FUND (0846)				
	Up to...	Up to...	Up to...	Up to...
<u>Loss</u> – DHSS – Reduction in death certificate fees (§193.265) p. 4-6	(\$26,667)	(\$32,000)	(\$32,000)	(\$16,000)
ESTIMATED NET EFFEC ON THE MO CORONERS TRAINING FUND	<u>Up to (\$26,667)</u>	<u>Up to (\$32,000)</u>	<u>Up to (\$32,000)</u>	<u>Up to (\$16,000)</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027	Fully Implemented (FY 2028)
LOCAL GOVERNMENTS – COMMUNITY COLLEGES				
<u>Loss</u> – Community Colleges – Reduction in fees collected due to tuition and waiver of fees for undergraduate MONG members (§173.239) p.4	(Unknown)	(Unknown)	(Unknown)	(Unknown)
ESTIMATED NET EFFECT ON LOCAL GOVERNMENTS	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>

FISCAL IMPACT – Small Business

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

FISCAL DESCRIPTION

The bill proposes to expand the eligibility and benefits of educational assistance for members of the Missouri National Guard.

Currently, a member can qualify for an education assistance grant, if he possesses certain qualifications, to an approved public institution or an approved private institution of his or her choice while he or she is a member of the Missouri National Guard. This bill changes the schools a member can attend from an approved public institution or approved private institution to an approved private institution or to any institution of postsecondary education that is required by statute to be, and currently is certified to operate by the Coordinating Board for Higher Education, within the Department of Higher Education and Workforce Development; that is institutionally accredited by an accrediting commission recognized by the United States Department of Education; that has operated continuously in this state for 5 or more years; that has no more than 50% of its students in correspondence programs; and that offers a one-year or two-year certificate, associate or baccalaureate degree programs, or graduate or professional degree programs.

This bill also allows the member to make a one-time transfer of his or her educational assistance, or the remaining portion of such educational assistance, to a spouse who is named as a dependent

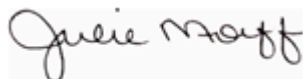
of the member in the Defense Enrollment Eligibility Reporting System and the member has a minimum grade point average of two point five or higher on a four-point scale. (§173.239)

The bill waives the fees for obtaining a certification, or copy of such certification, of death of a veteran if the request is made by the veteran's legal representative, the executor or administrator of the veteran's estate, any family member of the veteran authorized to obtain a copy of such certification, or a qualified veterans' organization that takes possession of the veteran's remains with the intention of properly disposing of such remains. Only one certificate can be provided without cost. Any additional certificates will have a fee. (§193.265)

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

SOURCES OF INFORMATION

Department of Commerce and Insurance
Department of Economic Development
Department of Higher Education and Workforce Development
Department of Health and Senior Services
Department of Public Safety - Missouri Veterans Commission
Missouri National Guard
University of Missouri System



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