

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4113-01  
Bill No.: HB 1571  
Subject: National Guard; Military Affairs; Education, Higher  
Type: Original  
Date: February 1, 2016

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Bill Summary: This proposal allows members of the reserves of any branch of the United States armed forces to be eligible for a Missouri National Guard educational assistance grant.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
General Revenue	(Could exceed \$6,167,950)	(Could exceed \$6,175,069)	(Could exceed \$6,177,061)
<b>Total Estimated Net Effect on General Revenue</b>	<b>(Could exceed \$6,167,950)</b>	<b>(Could exceed \$6,175,069)</b>	<b>(Could exceed \$6,177,061)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
<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 5 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
<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>			
<b>FUND AFFECTED</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
General Revenue	6 FTE	6 FTE	6 FTE
<b>Total Estimated Net Effect on FTE</b>	<b>6 FTE</b>	<b>6 FTE</b>	<b>6 FTE</b>

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

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

## FISCAL ANALYSIS

### ASSUMPTION

**Oversight** notes this proposal would allow any member of the reserves to receive a Missouri National Guard educational assistance grant. The grant currently provides money to Missouri National Guard members seeking undergraduate degrees as a full-time student. According to the budget request of the Department of Public Safety the average award amount last year was \$1,630 and an estimated 2,134 Missouri National Guard members received the award. Oversight found an estimate of the number of Missouri National Guard members of 11,733 (2,293 Air National Guard and 9,440 Army National Guard).

Officials at the **Office of the Adjutant General** assume this proposal would require six additional FTE at approximately \$260,000 annually to handle the administration.

**Oversight** notes this program would be expanded to include members of the Army Reserves, Air Force Reserves, Navy Reserves, Marine Reserves, Coast Guard Reserves and the Public Health Service Reserves. Neither Oversight nor the Office of the Adjutant General are able to determine how many additional reserve members would apply for this educational assistance grant. Oversight was unable to accurately determine how many individuals currently serve in the Reserves. Oversight found a report that in 2013, there were 20,159 U.S. Selected Reserves serving in Missouri. Additionally, there were 16,566 active duty military serving in Missouri.

**Oversight** assumes the current program serves 18% of the current Missouri National Guard (2,134/11,733). Oversight for fiscal note purposes will assume the same 18% of the US Selected Reserves stationed in Missouri ( $20,159 \times 18\% = 3,629$ ) will participate in this program. Using the same current award rate of \$1,630 would result in additional costs of \$5,915,270 ( $3,629 \times \$1,630$ ). Oversight will show the impact as "(Could exceed \$5,915,270)".

**Oversight** notes the educational grant only allows the grant to be used at a Missouri public or private higher education institution. However, due to the availability of virtual education at our higher education institutions, members of the reserves not stationed in Missouri could also chose to participate in this program.

**Oversight** notes the educational grants are currently funded with General Revenue and money from the Missouri National Guard Trust Fund. The Trust fund receives money from a tax checkoff and from the gaming boats. The Trust fund ended June 30, 2015 with a balance of \$766,306. Oversight will show the impact of this proposal as being funded by General Revenue.

<u>FISCAL IMPACT - State Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
<b>GENERAL REVENUE</b>			
<u>Cost</u> - increased number of grants due to expansion to all Reserves	(Could exceed \$5,915,270)	(Could exceed \$5,915,270)	(Could exceed \$5,915,270)
<u>Cost</u> - Adjutant General			
Personal Service	(\$154,944)	(\$156,493)	(\$158,058)
Fringe Benefits	(\$85,736)	(\$103,306)	(\$103,733)
Equipment and Expenses	<u>(\$12,000)</u>	<u>\$0</u>	<u>\$0</u>
<u>Total Cost</u> - Adjutant General	<u>(\$252,680)</u>	<u>(\$259,799)</u>	<u>(\$261,791)</u>
Total FTE Change	6 FTE	6 FTE	6 FTE
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<b>(Could exceed <u>\$6,167,950</u>)</b>	<b>(Could exceed <u>\$6,175,069</u>)</b>	<b>(Could exceed <u>\$6,177,061</u>)</b>
Estimated Net FTE Change on General Revenue	6 FTE	6 FTE	6 FTE
<u>FISCAL IMPACT - Local Government</u>	FY 2017 (10 Mo.)	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

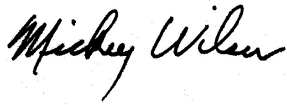
This bill allows members of the reserves of any branch of the United States Armed Forces to be eligible for a Missouri National Guard educational assistance grant.

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

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SOURCES OF INFORMATION

Office of the Adjutant General

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

Mickey Wilson, CPA  
Director  
February 1, 2016

Ross Strobe  
Assistant Director  
February 1, 2016