

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0886-01  
Bill No.: HB 498  
Subject: Children and Minors; Revenue Department; Tax Credits; Taxation and Revenue-  
Income  
Type: Original  
Date: February 13, 2009

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Bill Summary: This proposal establishes the Full-time Mother Scholarship Bonus Program.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
General Revenue	(Unknown less than \$100,000)	(Unknown less than \$100,000)	(Unknown less than \$100,000)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(Unknown less than \$100,000)</b>	<b>(Unknown less than \$100,000)</b>	<b>(Unknown less than \$100,000)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
<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 2010	FY 2011	FY 2012
<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 2010	FY 2011	FY 2012
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</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 2010	FY 2011	FY 2012
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials at the **Department of Higher Education (MDHE)** assume that it would begin offering scholarships for this program on or about January 1, 2010. The MDHE assumes that scholarships for 2010 would be in the amount of \$600 and that awards would increase at a rate equal to that of the CPI each year thereafter.

The MDHE assumes that it would need an additional FTE to administer the program starting in FY 2010. The MDHE's estimate of fiscal impact assumes that it would hire a program specialist to perform that function and that the program specialist's starting salary would be at the low end of the UPC range.

The MDHE would also require funds to reprogram its FAMOUS system to accommodate this additional program.

The MDHE is unable to estimate the total fiscal impact of this program, however, because of several unknowns, including:

- The number of persons who would seek to participate in the program; and
- How many years participants would seek to participate in the program.

**Oversight** assumes that due to the qualifications listed in the proposal, only a small number of women may be eligible for this scholarship and so Oversight is showing the cost of the proposal as unknown less than \$100,000.

**Oversight** assumes that since only a few women qualify for this scholarship the Department of Higher Education could request additional FTE to process the applicants if the need arises through the appropriation process.

**Oversight** assumes that any costs associated with reprogramming the FAMOUS system can be absorbed with existing resources.

Officials at the **Metropolitan Community College, Missouri Southern State University, University of Missouri, Missouri State University, University of Central Missouri, Linn State Technical College, Department of Social Services** and the **Truman State University** assume that there is no fiscal impact from this proposal.

Officials at the **Lincoln University** assume a modest impact from this proposal.

ASSUMPTION (continued)

Officials at the **Missouri Western State University** assume the cost is labor to monitor another state scholarship program.

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 2010 (10 Mo.)	FY 2011	FY 2012
<b>GENERAL REVENUE</b>			
<u>Cost - Dept. of Higher Education scholarships</u>	<u>(Unknown less than \$100,000)</u>	<u>(Unknown less than \$100,000)</u>	<u>(Unknown less than \$100,000)</u>
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUNDS</b>	<b><u>(Unknown less than \$100,000)</u></b>	<b><u>(Unknown less than \$100,000)</u></b>	<b><u>(Unknown less than \$100,000)</u></b>
<u>FISCAL IMPACT - Local Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
	<u><b>\$0</b></u>	<u><b>\$0</b></u>	<u><b>\$0</b></u>

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

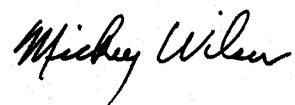
This bill establishes the Full-time Mother Scholarship Bonus Program to be administered by the Coordinating Board for Higher Education. Beginning January 1, 2010, an educational scholarship of \$600 per year for tuition and books will be available for any mother who has chosen to stay home to raise a child 15 years of age or younger. The amount of the scholarship will increase each year by the same percentage as the increase in the federal Consumer Price Index. A mother cannot receive a scholarship if she claims a dependent care deduction on her income tax return, cafeteria plan, or flex spending plan or has an employment income of more than \$1,000 annually. Unused scholarship funds will remain on account until used by the recipient for future education.

The provisions of the bill will expire six years from the effective date.

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

Metropolitan Community College  
Missouri Southern State University  
University of Missouri  
Missouri State University  
University of Central Missouri  
Missouri Western State University  
Linn State Technical College  
Truman State University  
Office of the Secretary of State  
Lincoln University  
Department of Social Services



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February 13, 2009

JH:LR:OD