

FIRST REGULAR SESSION

HOUSE BILL NO. 498

95TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES DAVIS (Sponsor), EMERY,
COOPER AND SCHOELLER (Co-sponsors).

0886L.011

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To amend chapter 173, RSMo, by adding thereto one new section relating to a scholarship program for full-time mothers.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Chapter 173, RSMo, is amended by adding thereto one new section, to be
2 known as section 173.263, to read as follows:

173.263. 1. There is hereby established the "Full-time Mother Scholarship Bonus
2 Program", and any moneys appropriated by the general assembly for this program shall
3 be used to provide scholarships for Missouri residents to attend a Missouri college or
4 university of their choice under the provisions of this section.

5 2. Beginning January 1, 2010, scholarships awarded under this program shall be
6 in the amount of six hundred dollars per year per eligible student, with the amount of
7 scholarship to increase each subsequent year in an amount equivalent to the Consumer
8 Price Index for Urban Wage Earners and Clerical Workers (CPI-W) or successor index
9 as published by the U.S. Department of Labor or its successor agency, in years in which
10 there is an increase in such index.

11 3. Persons eligible to receive scholarships under this section shall be mothers, with
12 a child or children fifteen years of age or younger, who have elected to stay home to raise
13 their own child or children. Scholarships received under this section shall only apply to
14 tuition and books required for course work and shall not be used for room and board,
15 registration expenses, or other administrative fees.

16 4. A student is not eligible for a scholarship under this section if she:

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in bold-face type in the above bill is proposed language.

17 (1) Claims a dependent care deduction on her income tax return, or on a cafeteria
18 or flex spending plan; or

19 (2) Has income from employment that exceeds one thousand dollars per year.

20 5. A scholarship recipient shall not receive a cash refund for any scholarship
21 moneys not used; however, any scholarship not used shall remain on account until it is
22 used by the recipient for future education.

23 6. The coordinating board for higher education shall be the administrative agency
24 for the implementation of the program established in this section, and shall:

25 (1) Promulgate reasonable rules and regulations for the exercise of its functions and
26 the effectuation of the purposes of this section;

27 (2) Prescribe the form and the time and method of awarding full-time mother
28 scholarships, and shall supervise the processing thereof; and

29 (3) Select qualified recipients to receive full-time mother scholarships, make such
30 awards to qualified recipients, and determine the manner and method of payment to the
31 recipient.

32 7. Any rule or portion of a rule, as that term is defined in section 536.010, RSMo,
33 that is created under the authority delegated in this section shall become effective only if
34 it complies with and is subject to all of the provisions of chapter 536, RSMo, and, if
35 applicable, section 536.028, RSMo. This section and chapter 536, RSMo, are nonseverable
36 and if any of the powers vested with the general assembly pursuant to chapter 536, RSMo,
37 to review, to delay the effective date, or to disapprove and annul a rule are subsequently
38 held unconstitutional, then the grant of rulemaking authority and any rule proposed or
39 adopted after August 28, 2009, shall be invalid and void.

40 8. Under section 23.253, RSMo, of the Missouri Sunset Act:

41 (1) The provisions of the new program authorized under this section shall
42 automatically sunset six years after the effective date of this section unless reauthorized by
43 an act of the general assembly; and

44 (2) If such program is reauthorized, the program authorized under this section
45 shall automatically sunset twelve years after the effective date of the reauthorization of this
46 section; and

47 (3) This section shall terminate on September first of the calendar year immediately
48 following the calendar year in which the program authorized under this section is sunset.

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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

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

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
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)
Total Estimated Net Effect on General Revenue Fund	(Unknown less than \$100,000)	(Unknown less than \$100,000)	(Unknown less than \$100,000)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Total Estimated Net Effect on FTE	0	0	0

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 2010	FY 2011	FY 2012
Local Government	\$0	\$0	\$0

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
GENERAL REVENUE			
<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>
ESTIMATED NET EFFECT ON GENERAL REVENUE FUNDS	<u>(Unknown less than \$100,000)</u>	<u>(Unknown less than \$100,000)</u>	<u>(Unknown less than \$100,000)</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
	<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 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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Mickey Wilson, CPA
Director
February 13, 2009

JH:LR:OD