

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4378-02
Bill No.: HB 1161
Subject: Veterans; Gambling; Boards, Commissions, Committees, Councils
Type: Original
Date: February 1, 2012

Bill Summary: This proposal increases the transfers from the Gaming Commission Fund to the Veterans' Commission Capital Improvements Fund from \$6 million to \$12 million.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Gaming Commission*	\$0	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

*** Transfers in to the Veterans Commission Capital Improvement Trust Fund and out of the Early Childhood Development Education and Care Fund net to zero.**

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
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 2013	FY 2014	FY 2015
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Missouri Gaming Commission (GAM)** state by increasing the formula transfers to the Veterans' Commission Capital Improvement Fund (VCCITF) by \$6 million, this legislation has an impact on the current transfer distribution of Gaming Funds. Since the legislation does not provide for an increase in monies to the fund, the increase in appropriations would come from a corresponding decrease of \$6 million to the Early Childhood Development Education and Care Fund (ECDEC) less the \$600,000 trigger under section 313.835 (2)(f).

GAM states, prior to this section being added, all remaining dollars were transferred to the ECDEC.

Officials at the **Missouri Veterans' Commission** assume this proposal would increase the transfers from the Gaming Commission Fund to the VCCITF from \$6 million to \$12 million.

Officials at the **Office of Administration - Division of Budget and Planning (BAP)** assumes by implementing this legislation, the VCCITF transfers from the Missouri Gaming Commission Fund would increase by \$6 million without providing for an increase in monies to the fund. Because of this, the transfer to the ECDEC fund would be reduced by \$6 million. BAP defers to the Missouri Gaming Commission for a specific estimate on the impact to the Gaming Commission Fund.

BAP assumes the proposed legislation should not result in additional costs or savings to the Division of Budget and Planning.

Officials at the **Department of Elementary and Secondary Education (DESE)** assume this proposed legislation appears to divert \$6 million away from the ECDEC fund and into the VCCITF.

DESE states monies deposited into the ECDEC fund are appropriated to the Department of Social Services (DSS) and DESE. Of the first 60% appropriation, 20% goes to DSS and 80% goes to DESE. DESE uses the ECDEC monies to fund First Steps, Parents as Teachers (PAT), and the Missouri Preschool Program (MPP).

ASSUMPTION (Continued)

Officials at the **Department of Social Services (DSS)** state section 313.835 (1)(b) will impact DSS by transferring three million dollars for the VCCITF fund prior to the ECDEC fund receiving proceeds from the Gaming Commission Fund. This fund is currently used for 4 programs within DSS. Those programs are:

- Start-up & Expansion grants for child care providers
- Accreditation Facilitation - grants for organizations that assist providers to become accredited, along with a child care subsidy rate enhancement for child care providers who are accredited.
- Missouri Early Head Start
- Stay at Home Parent - Home visitation program for at risk families with children under the age of 3.

DSS states section 313.835 (1)(e) will transfer another three million dollars to the VCCITF. This would prevent the ECDEC fund from receiving additional revenues if they were to become available above twenty eight million dollars.

DSS states in FY 2011 revenue for the ECDEC fund was \$30,998,623, according to GAM. If this bill were law, the fund would have received \$24,998,623, a 19.36% drop. Appropriations for DSS from the ECDEC fund in 2011 totaled \$14,917,036. Assuming a 19.36% drop in funding, the DSS would have received \$12,029,098, a decrease of \$2,887,938.

DSS states currently the 4 programs listed above are not able to provide funding or services to the number of child care programs and/or families that have a need. This proposal could decrease the number of child care programs and families that will be able to be served.

DSS states the exact fiscal impact to the DSS programs receiving funds from the ECDEC is unknown.

Officials at the **Department of Higher Education** assumes there is no fiscal impact from this proposed legislation.

Oversight assumes the proposed legislation would impact the Veteran's Commission Capital Improvement Trust Fund (VCCITF) with a potential increase in transfers up to but not exceeding \$6 million.

ASSUMPTION (Continued)

Oversight assumes the proposed legislation would impact the Early Childhood Development, Education, and Care Fund (ECDEC) with a potential decrease in transfers up to but not exceeding \$6 million.

Oversight assumes the amounts transferred to the funds would be subject to Missouri Gaming Commission Fund revenues meeting established thresholds in the formula as established by current law.

<u>FISCAL IMPACT - State Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
GAMING COMMISSION FUND			
<u>Transfer In</u> - Veterans Commission Capital Improvement Trust Fund	Up to but not exceeding \$6,000,000	Up to but not exceeding \$6,000,000	Up to but not exceeding \$6,000,000
<u>Transfer Out</u> - Early Childhood Development Education and Care Fund	(Up to but not exceeding \$6,000,000)	(Up to but not exceeding \$6,000,000)	(Up to but not exceeding \$6,000,000)
ESTIMATED NET EFFECT ON GAMING COMMISSION FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

*** Transfers in to the Veterans Commission Capital Improvement Trust Fund and out of the Early Childhood Development Education and Care Fund net to zero.**

<u>FISCAL IMPACT - Local Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
	<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.

KB:LR:OD

FISCAL DESCRIPTION

This proposal increases the required annual transfer of moneys from the Gaming Commission Fund to the Veterans Commission Capital Improvement Trust Fund from \$3 million to \$6 million and increases from \$3 million to \$6 million, subject to appropriations, the amount that can be annually additionally transferred from the gaming fund to the veterans fund when the remaining gaming fund amount exceeds \$28 million.

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

Missouri Gaming Commission
Department of Public Safety -
Veterans' Commission
Office of Administration -
Division of Budget and Planning
Department of Elementary and Secondary Education
Department of Higher Education
Department of Social Services



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