

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1211S.05C  
 Bill No.: SCS for HCS for HB 417  
 Subject: Employees - Employers; Department of Health and Senior Services; Department of Economic Development; Nurses  
 Type: Original  
 Date: April 20, 2023

Bill Summary: The proposal creates incentives for the purpose of encouraging certain individuals to obtain employment-related skills.

**FISCAL SUMMARY**

| <b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>  |                                       |                                       |                                       |
|--|---------------------------------------|---------------------------------------|---------------------------------------|
| FUND AFFECTED  | FY 2024                               | FY 2025                               | FY 2026                               |
| General Revenue*/**                                  | \$0 or Up to<br>(\$6,196,383)         | \$0 or Up to<br>(\$6,213,686)         | \$0 or Up to<br>(\$6,217,367)         |
| <b>Total Estimated Net Effect on General Revenue</b> | <b>\$0 or Up to<br/>(\$6,196,383)</b> | <b>\$0 or Up to<br/>(\$6,213,686)</b> | <b>\$0 or Up to<br/>(\$6,217,367)</b> |

\*The Health Professional Loan Incentive Fund is subject to appropriations (therefore reflected as “\$0 or”) by the General Assembly. Along with the loss of revenue on forgiven loans, unknown costs for the program are assumed to exceed \$250,000 annually.

\*\*Oversight notes the program, under Section 620.2500, is subject to appropriation; therefore the range of the fiscal impact is noted as “\$0 or”.

| <b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>              |                             |                              |                             |
|---|-----------------------------|------------------------------|-----------------------------|
| FUND AFFECTED   | FY 2024                     | FY 2025                      | FY 2026                     |
| Health Professional Loan Incentive*                           | \$0                         | \$0                          | \$0                         |
| Nurse Loan Fund   | (\$66,000)                  | (\$1,300,000)                | (\$66,000)                  |
| Board of Nursing Fund   | \$56,120                    | \$1,211,515                  | \$57,465                    |
| Colleges & Universities**                                     | \$0 to Unknown              | \$0 to Unknown               | \$0 to Unknown              |
| Upskill Credential Fund***                                    | \$0                         | \$0                          | \$0                         |
| <b>Total Estimated Net Effect on <u>Other</u> State Funds</b> | <b>(\$9,880) to Unknown</b> | <b>(\$88,485) to Unknown</b> | <b>(\$8,535) to Unknown</b> |

Numbers within parentheses: () indicate costs or losses.

\*Appropriations and loans/costs net to \$0.

\*\*Increase in tuition and fees.

\*\*\*The Upskill Credential Fund net to \$0

| <b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>                  |                |                |                |
|---|----------------|----------------|----------------|
| <b>FUND AFFECTED</b>  | <b>FY 2024</b> | <b>FY 2025</b> | <b>FY 2026</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 2024</b>    | <b>FY 2025</b>    | <b>FY 2026</b>    |
| General Revenue Fund                                      | 0 or 2 FTE        | 0 or 2 FTE        | 0 or 2 FTE        |
|   |                   |                   |                   |
| <b>Total Estimated Net Effect on FTE</b>                  | <b>0 or 2 FTE</b> | <b>0 or 2 FTE</b> | <b>0 or 2 FTE</b> |

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.

| <b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b> |                |                |                |
|--|----------------|----------------|----------------|
| <b>FUND AFFECTED</b>                       | <b>FY 2024</b> | <b>FY 2025</b> | <b>FY 2026</b> |
|  |                |                |                |
| <b>Local Government</b>                    | <b>\$0</b>     | <b>\$0</b>     | <b>\$0</b>     |

## FISCAL ANALYSIS

### ASSUMPTION

#### §§191.430 - 191.831 – Health professional loan repayment program

Officials from the **Department of Health and Senior Services (DHSS)** state the proposed legislation was written in conjunction with a New Decision Item that would be necessary for successful implementation of the legislative changes. This proposed legislation will require General Revenue (GR) to run the Health Professional Loan Repayment Program, including funds for loan awards, based off regular appropriation process.

**Oversight** does not have any information to the contrary. Therefore, Oversight will reflect fiscal impact as provided by DHSS.

**DHSS** states in its FY2024 Budget Preview that it will transition fully to a loan repayment program funding professionals and practitioners with educational debt for the purpose of paying all or a portion of their existing educational loans.

The Primary Care Resource Initiative of Missouri (PRIMO) program addresses the needs of areas with a shortage of health professionals by assisting in the development and expansion of community-based health systems that provide medical, dental, and behavioral health services. In addition, the PRIMO program provides forgivable student loans to health care professional students who agree to work within shortage areas.

The Missouri Professional and Practical Nursing Student Loan (NSL) and Loan Repayment Program (LRP) provides forgivable student loans to nursing students in exchange for service in designated underserved communities and/or facilities that are experiencing nursing shortages upon completion of training. The program also provides loan repayment to practicing nurses in exchange for service in communities and/or facilities that are experiencing nursing shortages.

The Health Professional Loan and Health Professional Student Loan Repayment Program provides educational loan repayment to practicing primary care medical and dental health professionals in exchange for service in areas with a shortage of primary care medical and dental professionals.

FY 2024 Governor's Recommended Program funding for PRIMO, NSL and Loan Repayment Programs:

|       |                    |
|-------|--------------------|
| GR    | \$700,000          |
| Fed   | \$425,000          |
| Other | <u>\$2,256,790</u> |

**Total \$3,381,790**

|                               |             |
|-------------------------------|-------------|
| FY 2020 Actual appropriations | \$3,131,542 |
| FY 2021 Actual appropriation  | \$3,310,292 |
| FY 2022 Actual appropriations | \$3,060,540 |
| FY 2023 Actual appropriations | \$3,181,790 |

**Oversight** notes that forgiveness of student loans includes the forgiveness of any accrued interest associated with those loans while the health professional meets the service obligations determined by DHSS.

**Oversight** assumes appropriations to the Health Professional Loan Repayment Program and loans/expenses incurred by the program will net to \$0.

Officials from the **Department of Revenue (DOR)** state this proposal will create a Health Professional Loan Repayment Program that would provide certain taxpayers a loan. The loans are to be used to pay off a qualified taxpayer's student loan debt. The loans offered under this program are eligible for forgiveness if certain criteria are met.

The Department of Health and Senior Services is the administrator of this program and has the authority to set criteria for receipt of the loans.

It should be noted that under current federal law IRC Section 108(f)(1)-(2), income from the discharge/forgiveness of a student loan from December 31, 2020 to January 1, 2026 is not taxable. However, after January 1, 2026, such income may potentially be taxable. At this time, DOR cannot determine how many students may receive these loans, how much of these loans will be distributed, or if any of the loans received will be discharged/forgiven or when and, therefore, the DOR is unable to determine an impact from this portion of the proposal. Any loss would be unknown and would be considered foregone revenue.

This does not have an administrative impact on DOR.

**Oversight** does not have any information to the contrary. Therefore, Oversight will reflect no fiscal impact for this agency.

Officials from the **University of Central Missouri (UCM)** state this proposal would have an indeterminate fiscal impact on UCM.

**Oversight** notes, in response to the previous version of this proposal, UCM indicated the proposal could potentially increase revenue if it leads to increased enrollment. Therefore, Oversight will reflect a \$0 to Unknown increase in revenues for Colleges and Universities for fiscal note purposes.

In response to a similar proposal in HB 542, officials from the **University of Missouri Health Care System** stated they had reviewed the proposed legislation and has determined that as written it should not create expenses in excess of \$100,000.

**Oversight** does not have any information to the contrary. Oversight assumes less than \$100,000 in expenses to the University of Missouri Health Care is an amount that can be absorbed within current funding levels and is not significant. Therefore, Oversight will reflect no fiscal impact for the University of Missouri Health Care System.

In response to a similar proposal in HB 542, officials from the **Office of Administration, St. Charles Community College** and the **Office of the State Courts Administrator** each assumed the proposal would 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.

In response to a similar proposal in HB 542, officials from the **Office of Administration - Budget and Planning** deferred to the Department of Health and Senior Services for response relating to the fiscal impact of this proposal on their organization.

**Oversight** notes a standard monthly payment (at current rates) for \$100,000 in student loans would be approximately \$1,150, or \$13,800 annually. To reach the \$250,000 annual threshold, the program would only have to include 19 participants (19 x \$13,800 = \$262,200). Oversight assumes the \$250,000 threshold, subject to appropriation, could be met in any given year.

### **§§335.203 - 335.205 – Nursing Education**

#### **§335.203.2**

Officials from the **Department of Health and Senior Services (DHSS)** assume §335.203.2, of the proposed legislation, proposes the removal of the \$150,000 grant limit for those awarded under the Nursing Education Incentive Program.

**Oversight** assumes removal of the \$150,000 grant limit for those awarded the Nursing Education Incentive Program in this subsection will have no fiscal impact on state or local government.

**Oversight** notes the Department of Commerce and Insurance (DCI) budget request included the following information: *The Nursing Education Incentive Program (NEIP) was established in 2011 through legislative action and appropriation of State Board of Nursing (Board) funds to increase the number of nursing graduates by expanding the physical and educational capacity of professional nursing programs in Missouri. This grant program is supported by nurse licensure fees and represents continued action by the Board to support nursing education. The board currently has the authority to award up to \$2,000,000 each fiscal year for the NEIP Program. This new decision item would allow the Board to award up to \$3,000,000 each fiscal year in NEIP funding.* Oversight notes the DCI asked for a \$1,000,000 new decision item from the State

Board of Nursing Fund (0635).

§335.205

**Officials from the Department of Health and Senior Services (DHSS) notes:**

Section §335.205, of proposed legislation, proposes the collection of a nursing education incentive program surcharge in addition to the nurse licensure fees for any initial nurse license and license renewal application to be deposited into the state board of nursing fund.

Officials from the **Department of Commerce and Insurance (DCI)** state that the board projects a 2% increase in licensees each year.

DCI assumes the surcharge only applies to applicants for a license by endorsement. (Those numbers could decrease as more states join the nursing compact. Nurses will not need a Missouri license because they are able to practice in Missouri on the license from the other state.)

DCI assumes the following:

FY 2024

LPN – Renewal Surcharge - \$45,668  
LPN – Initial License Surcharge \$252  
RN – Renewal Surcharge - \$0  
RN – Initial Licensure Surcharge - \$10,200  
**Total - \$56,120**

FY 2025

LPN – Renewal Surcharge - \$0  
LPN – Initial License Surcharge \$260  
RN – Renewal Surcharge - \$1,200,850  
RN – Initial Licensure Surcharge - \$10,405  
**Total - \$1,211,515**

FY 2026

LPN – Renewal Surcharge - \$46,582  
LPN – Initial License Surcharge \$268  
RN – Renewal Surcharge - \$0  
RN – Initial Licensure Surcharge - \$10,615  
**Total - \$57,465**

DCI Notes:

- RNs are currently in renewal so the 120,085 number could decrease for multiple reasons:
- Licensees that retire and do not renew their license.
  - Not having to renew due to the added nurse licensure compact states.
  - This is the first renewal period since Kansas joined the nursing compact. The board does not

know how many RNs that are Kansas residents that will not renew their Missouri license because they do not have to.

**Oversight** does not have any information to the contrary. Therefore, Oversight will reflect the revenues as estimated by the DCI to the Board of Nursing Fund (0635).

Officials from the **Department of Health and Senior Services (DHSS)** note:

Section 335.203 subsection 2, of the proposed legislation, proposes the removal of the \$150,000 grant limit for those awarded under the Nursing Education Incentive Program.

Section 335.205, of proposed legislation, proposes the collection of a nursing education incentive program surcharge in addition to the nurse licensure fees for any initial nurse license and license renewal application to be deposited into the state board of nursing fund.

The proposal allows for the removal of Section(s) 335.212 through 335.242 eliminating the Nursing Student Loan Program and Section 335.245 through 335.257, eliminating the Nursing Student Loan Repayment Program.

Additionally, eliminating Section 335.212 through 335.257 would eliminate the established Professional and Practical Nursing Student Loan and Nurse Loan Repayment Fund used to collect repayment and fees on any defaulted contracts. This section also gives the authority to the Department of Health and Senior Services (DHSS) to institute any action to recover any amount due. Therefore, the Department may lose the authority to collect on bad debt from nurses who defaulted on their loans.

Currently, the educational surcharge collected on nurse licensure and licensure renewal applications is expended on administering the Nurse Student Loan (NSL) program and Nurse Loan Repayment Program (NLRP). This fee is based on either the Registered Nurse (RN) or Licensed Practical Nurse (LPN) and the year; the program receives \$5 for each RN license during odd numbered years and then \$1 from each LPN license during even numbered years. The removal of these sections results in a loss of revenue that is utilized for the NSL program and NLRP. If these funds are not received by DHSS, this would result in a loss of approximately \$1,300,000 on odd numbered years and \$66,000 on even numbered years.

**Oversight** does not have any information to the contrary. Therefore, Oversight will reflect the estimated loss provided by DHSS to the Nurse Loan Fund.

#### **§§620.2500 – Grants to employers to encourage employees to obtain upskill credentials**

Officials from the **Department of Economic Development (DED)** assume section 620.2500 creates a new provision that provides grants to employers to encourage employees to obtain upskill credentials. DED may distribute reimbursement to any qualifying employer not to exceed two thousand dollars for each employee who obtains upskill credentials, provided that no

qualifying employer shall receive more than thirty thousand dollars under this section in any calendar year. The department shall evaluate employers on a competitive basis and distribute an equal number of awards within 3 groups based on the number of employees of qualifying employers (Groups: 1-50 employees; 51-200 employees; 201 or more employees).

DED has determined that costs and the impact on TSR could be significant as a result of this program, and that more information is needed in regards to the parameters of the program before an estimated cost can be derived.

DED will need to hire 2-3 FTE to administer the program. DED does not have existing budget authority that can absorb the cost.

**Oversight** notes that according to the article posted in [Missouri One Star Program 2020](#), there were 47,000 employees across 234 companies trained throughout this program in 2020.

**Oversight** notes that [The American Upskilling Study](#) states: "...most workers (57%) are very or extremely interested in participating in training to upgrade their skills or to learn new skills that could help them advance their career. When that training is free and workers are paid while doing it (as they would be during work), interest goes up to 71%. By contrast, 47% of workers are interested in training at a college or university." In summary employer's interest for upskilling their workforce is only growing.

**Oversight** assumes that the DED's request for additional FTE is plausible. Therefore, Oversight will reflect the lower estimated projection of 2 FTE (Economic Development Specialists at \$63,192 with fringe benefits and equipment and expense annually) in the fiscal note.

**Oversight** notes the Colorado Workforce Development Council announced a similar program – \$2.25 million in funding to support up to 1,200 individuals to earn an industry-recognized credential during the grant period. However, Ohio also has a similar program through their Department of Development called TechCred. According to an article from [Ohiohighered.org](#), "TechCred is one of Ohio's most successful business-education partnerships. This innovative program is designed to qualify workers for new jobs in the technology-infused economy. The program has already supported more than 23,723 new credentials and certificates to date." It appears that Ohio has a \$30 million appropriation over the next two year period (\$15 million per year). Since Ohio's program and the program described in the bill appear to be very similar, Oversight will utilize \$15 million per year as an estimate, reduced to Missouri population - \$8,000,000. The actual appropriation amount may not exceed \$6,000,000 in any fiscal year (subsection 620.2500.4).

Officials from the **Office of Administration – Budget & Planning (B&P)** assume the proposed legislation creates the "Upskill Training Fund" in the state treasury for training reimbursement to employers who meet upskill credentials. Moneys for the fund shall be appropriated by the general assembly, which shall not exceed \$6M per fiscal year. The Department of Economic Development may distribute the funds to qualified employers not to exceed two-thousand dollars for each employee, and thirty-thousand dollars for each employer per fiscal year. DED shall also



design the application form for qualifying employers to apply for training reimbursement. DED shall reserve 33 1/3% of funds to be awarded to qualifying employers with at least one, but not more than fifty employees, and 33 1/3% for qualifying employers with at least fifty-one, but not more than two hundred employees. All reserved amounts under this subdivision that are not issued or awarded by March first of the fiscal year shall no longer be reserved and may be issued to any employer otherwise eligible in this section. To the extent appropriations are made for this program, resources may be reduced for other budget priorities.

In response to the previous version of the bill, officials from the **University of Central Missouri** assumed this proposal would have an indeterminate fiscal impact depending on if UCM's programs constitute the requisite "credentials" and if so, if there is an increase of students in those programs.

**Oversight** notes that officials from above organization assume the proposal will have a positive fiscal impact on their organization.

**Oversight** notes that Section 620.2500.4 creates an Upskill Credential Fund, which shall consist of money appropriated to the fund by the general assembly, not to exceed six million dollars in any fiscal year, and any funds accepted from other sources, which shall not be limited in any fiscal year. Therefore, **Oversight** will note the fiscal impact up to \$6 million to the general revenue fund in the fiscal note.

Additionally, **Oversight**, for purposes of this fiscal note, will note the Upskill Credential Fund will net to zero with the money being disbursed to various qualifying companies and using the fund for designated purpose of Upskilling employees throughout Missouri.

Lastly, **Oversight** notes the proposal adds clarification language in regards to certain industry exclusions and qualifications for the upskill tax credit under the proposal.

#### Bill as a whole

In response to the previous version of the bill, officials from the **Attorney General's Office**, the **Department of Higher Education and Workforce Development**, the **Department of Mental Health** and the **Missouri Office of Prosecution Services Department of Revenue**, the **Missouri Department of Health and Senior Services**, the **Office of Administration**, the **Missouri Department of Agriculture**, the **Department of Labor and Industrial Relations**, the **Missouri Department of Conservation**, the **City of Jefferson City**, the **City of Saint Louis – Budget Division**, the **Missouri University System**, the **City of Kansas City**, the **Jackson County Commissioner**, and the **City of Springfield** each assume the proposal would not have a direct fiscal impact on their respective organizations.

Officials from the 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.

Officials from the **Joint Committee on Administrative Rules** assume this proposal is not anticipated to cause a fiscal impact beyond its current appropriation.

In response to the previous version of this proposal, officials from the **Office of the Secretary of State (SOS)** noted 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 \$5,000. 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 its 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.

Officials from the **Office of the State Treasurer** did not respond to **Oversight's** request for a statement of fiscal impact.

| <u>FISCAL IMPACT – State Government</u>   | FY 2024<br>(10 Mo.)                   | FY 2025                               | FY 2026                               |
|---|---------------------------------------|---------------------------------------|---------------------------------------|
| <b>GENERAL REVENUE FUND</b>   |                                       |                                       |                                       |
| <u>Revenue Transfer Out– Section 620.2500.4 – into Upskill Credential Fund (p.4)</u>            | \$0 or Up to<br>(\$6,000,000)         | \$0 or Up to<br>(\$6,000,000)         | \$0 or Up to<br>(\$6,000,000)         |
| <u>Transfer to – Health Professional Loan Incentive Fund – appropriations (\$191.450) p.3-4</u> | \$0 to<br>(Unknown)                   | \$0 to<br>(Unknown)                   | \$0 to<br>(Unknown)                   |
| <u>Cost – DED – 2 FTE - Section 620.2500 – Administration Of Tax Credit Program</u>             | \$0 or.....                           | \$0 or.....                           | \$0 or....                            |
| Personnel Services  | (\$105,320)                           | (\$128,912)                           | (\$131,490)                           |
| Fringe Benefits   | (\$59,965)                            | (\$72,805)                            | (\$73,669)                            |
| Equipment & Expense   | (\$31,098)                            | (\$11,969)                            | (\$12,208)                            |
| <u>Total Cost - DED</u>   | <u>(\$196,383)</u>                    | <u>(\$213,686)</u>                    | <u>(\$217,367)</u>                    |
| Total FTE – DED (p.3,4)   | 2 FTE                                 | 2 FTE                                 | 2 FTE                                 |
| <b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>  | <b>\$0 or Up to<br/>(\$6,196,383)</b> | <b>\$0 or Up to<br/>(\$6,213,686)</b> | <b>\$0 or Up to<br/>(\$6,217,367)</b> |

|   |                          |                             |                          |
|---|--------------------------|-----------------------------|--------------------------|
| <b>HEALTH PROFESSIONAL LOAN INCENTIVE FUND</b>  |                          |                             |                          |
| <u>Transfer in</u> – from General Revenue – appropriations (§191.450) p.3-4                           | \$0 to Unknown           | \$0 to Unknown              | \$0 to Unknown           |
| <u>Income</u> – DHSS (§§191.430 – 191.831) – Loan repayments/penalties for breach of contract (p.3-4) | \$0 to Unknown           | \$0 to Unknown              | \$0 to Unknown           |
| <u>Costs</u> – DHSS – Loans to health professionals (§§191.430 - 191.831) (p.3-4)                     | \$0 to<br>(Unknown)      | \$0 to<br>(Unknown)         | \$0 to<br>(Unknown)      |
| <b>ESTIMATED NET EFFECT ON THE HEALTH PROFESSIONAL LOAN INCENTIVE FUND*</b>                           | <b><u>\$0</u></b>        | <b><u>\$0</u></b>           | <b><u>\$0</u></b>        |
| <b>NURSE LOAN FUND</b>  |                          |                             |                          |
| <u>Loss</u> – DHSS (§335.212 - 353.242)<br>Loss of educational surcharge collection (p.7)             | (\$66,000)               | (\$1,300,000)               | (\$66,000)               |
| <b>ESIMATED NET EFFECT ON THE NURSE LOAN FUND</b>   | <b><u>(\$66,000)</u></b> | <b><u>(\$1,300,000)</u></b> | <b><u>(\$66,000)</u></b> |
| <b>BOARD OF NURSING FUND (0635)</b>   |                          |                             |                          |
| <u>Revenue</u> – DCI (§335.205)<br>Nursing Education Incentive Program Surcharge (p.6-7)              | \$56,120                 | \$1,211,515                 | \$57,465                 |
| <b>ESTIMATED NET EFFECT TO THE BOARD OF NURSING FUND</b>  | <b><u>\$56,120</u></b>   | <b><u>\$1,211,515</u></b>   | <b><u>\$57,465</u></b>   |
| <b>COLLEGES AND UNIVERSITIES</b>  |                          |                             |                          |
| <u>Income</u> – Colleges & Universities – increase in tuition and fees (§§191.430 - 191.831) (p.4-5)  | \$0 to<br>Unknown        | \$0 to<br>Unknown           | \$0 to<br>Unknown        |

| <b>ESTIMATED NET EFFECT ON COLLEGES AND UNIVERSITIES</b>  | <b><u>\$0 to Unknown</u></b> | <b><u>\$0 to Unknown</u></b> | <b><u>\$0 to Unknown</u></b> |
|---|------------------------------|------------------------------|------------------------------|
|   |                              |                              |                              |
|   |                              |                              |                              |
| <b>UPSKILL CREDENTIAL FUND</b>  |                              |                              |                              |
|   |                              |                              |                              |
| <u>Revenue Gain</u> – Transfer In from GR – Section 620.2500 7.(1) (p.5)                        | \$0 or Up to \$6,000,000     | \$0 or Up to \$6,000,000     | \$0 or Up to \$6,000,000     |
|   |                              |                              |                              |
| <u>Cost</u> – Section 620.5000 5. (1) –(4) – Disbursement of award to qualified companies (p.5) | \$0 or Up to (\$6,000,000)   | \$0 or Up to (\$6,000,000)   | \$0 or Up to (\$6,000,000)   |
|   |                              |                              |                              |
| <b>ESTIMATED NET EFFECT ON UPSKILL CREDENTIAL FUND</b>  | <b><u>\$0</u></b>            | <b><u>\$0</u></b>            | <b><u>\$0</u></b>            |
|   |                              |                              |                              |

| <u>FISCAL IMPACT – Local Government</u> | FY 2024<br>(10 Mo.) | FY 2025           | FY 2026           |
|---|---------------------|-------------------|-------------------|
|   |                     |                   |                   |
|   | <b><u>\$0</u></b>   | <b><u>\$0</u></b> | <b><u>\$0</u></b> |
|   |                     |                   |                   |

FISCAL IMPACT – Small Business

Small businesses may be eligible for grants if they choose to upskill their respective workforce and comply with the rules under the proposal and small business health care providers changes to the proposal in Section(s) §191.430 – 191.831.

FISCAL DESCRIPTION

HEALTH PROFESSIONAL LOAN REPAYMENT PROGRAM (SECTIONS 191.430 TO 191.831)

The act repeals current law relating to student loans for certain health professional students and establishes the "Health Professional Loan Repayment Program". Under this program, the Department of Health and Senior Services shall provide forgivable loans in order to repay existing loans for eligible educational expenses for health professional students.

The Director of the Department shall have the discretion to select the health professionals who are eligible for the forgivable loans in accordance with the greatest need in the best interest of the public. Individuals receiving loans under this program shall agree to serve at least 2 years in an area of defined need as a condition of receipt of the funds, among other criteria that must be met as delineated in the act. An individual who fails to uphold the loan agreement shall be liable for

the amount paid to the individual by the Department under this program. Furthermore, if an individual breaches a written contract executed pursuant to this provision by failing to begin or complete his or her service obligation, the state shall be entitled to recover from such person an amount equal to:

- The total amount of the loan awarded by the Department or, if the Department had already awarded partial forgiveness at the time of the breach, the amount of the loan not yet forgiven;
- The interest on the amount that would be payable if at the time the loan was awarded it was a loan bearing interest at the maximum prevailing rate as determined by the Treasurer of the United States;
- An amount equal to any damages incurred by the Department as a result of the breach; and
- Any legal fees or associated costs incurred by the Department or the state of Missouri in the collection of damages.

The act additionally creates the Health Professional Loan Incentive Fund for the purpose of allowing the Department to provide loans under this provision. The fund will consist of funds appropriated to it by the General Assembly.

These provisions are identical to HB 542 (2023) and substantially similar to SB 555 (2023).

#### NURSING EDUCATION INCENTIVES (SECTIONS 335.203 TO 335.257)

The act modifies the Nursing Education Incentive Program. Under current law, grant awards made under the program are limited to \$150,000. This act repeals that limit. Additionally, the State Board of Nursing is required to collect, at the time of any license application or license renewal application, a Nursing Education Incentive Program surcharge from each person licensed or relicensed as a nurse under Missouri law. Such surcharge shall be equal to \$1 for practical nurses and \$5 for registered professional nurses.

The act repeals the Nursing Student Loan Program and the Nursing Student Loan Repayment Program.

These provisions are identical to HB 775 (2023).

#### UPSKILL CREDENTIALS (SECTION 620.500)

This act creates new provisions allowing the Department of Economic Development (DED) to disburse grants to qualifying employers for each employee or prospective employee who obtains upskill credentials, as defined in the act. In order to receive such grants a qualifying employer is required to submit an application to DED, as provided in the act. Applications are evaluated on a competitive basis using the following criteria:

- The pledged average wage increase that employees or prospective employees will realize after obtaining an upskill credential in relation to the cost of obtaining the credential;
- The level of economic distress to the qualifying employer's region and the balance of awards made to the various regions of the state; and
- The contribution made by the qualifying employer toward the cost of obtaining the upskill credential.

At the close of each application period, to be determined by DED, applications will be evaluated and preliminary awards for reimbursement may be made.

In making preliminary awards of reimbursement, one-third of the awards shall be reserved for employers with 1-50 employees and one-third of the awards shall be reserved for employers with 51-200 employees. If any reserved moneys are not awarded by March 1 of the fiscal year, the moneys may thereafter be awarded to any qualifying employer.

Upon being given a preliminary award for reimbursement, each qualifying employer must sponsor a current or prospective employee to obtain an upskill credential within 12 months of the preliminary award. Employees may not commence the process of obtaining the credential until after a preliminary award has been made. Upon obtaining a credential, the employer shall submit proof of the same to DED along with proof that the individual who completed the training is a Missouri resident with a verifiable Missouri address.

The act prohibits qualifying employers from receiving funds under this act for an employee's upskill credential if:

- The qualifying employer is receiving funds under the Missouri One Start Program for the same upskill credential; or
- The employee is receiving a Fast Track Workforce Incentive Grant for the same upskill credential.

The Upskill Credential Fund is established, consisting of moneys appropriated to it by the General Assembly, not exceeding \$6 million in any fiscal year, as well as moneys accepted from any other source. Any funds not expended remain in the fund.

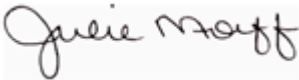
The act contains a sunset clause.

These provisions are substantially similar to SB 53 (2023), SB 760 (2022), and HB 2550 (2022).

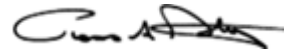
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Attorney General's Office  
Department of Economic Development  
Office of Administration – Budget & Planning  
Department of Health and Senior Services  
Department of Revenue  
Department of Labor and Industrial Relations  
Missouri Department of Agriculture  
Missouri Department of Conservation  
Office of Administration  
Department of Health and Senior Services  
Department of Mental Health  
Missouri Office of Prosecution Services  
Office of the State Courts Administrator  
Office of the Secretary of State  
Joint Committee on Administrative Rules  
University of Central Missouri  
Missouri University System  
City of Kansas City  
City of Springfield



Julie Morff  
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