

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1178S.01I
 Bill No.: SB 71
 Subject: Higher Education; Emergencies; Department of Health and Senior Services;
 Health Care Professionals; Department of Higher Education and Workforce
 Development; Law Enforcement Officers and Agencies
 Type: Original
 Date: February 10, 2025

Bill Summary: This proposal creates the "First Responder Recruitment and Retention Act" to provide free college tuition for first responders and their legal dependents.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Colleges and Universities *	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
Total Estimated Net Effect on <u>Other</u> State Funds	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)

*Oversight notes a public institution of higher education shall waive one hundred percent of the first responder's or the legal dependent's tuition after subtracting all other funds awarded to the student. Furthermore, it is unclear how many individuals would be eligible or participate. Oversight assumes it could exceed the \$250,000 threshold.
 Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Total Estimated Net Effect on FTE	0	0	0

- 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.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Local Government	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)

*Oversight notes a public institution of higher education shall waive one hundred percent of the first responder's or the legal dependent's tuition after subtracting all other funds awarded to the student. Furthermore, it is unclear how many individuals would be eligible or participate. Oversight assumes it could exceed the \$250,000 threshold.

FISCAL ANALYSIS

ASSUMPTION

§173.2655 - creates the "First Responder Recruitment and Retention Act"

Officials from the **Department of Public Safety – Directors Office (DPS)** assume the proposal will have no fiscal impact on their organization.

The DPS provided the current number of commissioned peace officers (law enforcement officer) count in the table below.

Full-time Peace Officers	14,307
Reserve Peace Officers	1,568
Officers Not Working and Not Expired	7,833
Active Agencies	597
Firefighters	22,000

Officials from **Department of Health and Senior Services** assume licenses are issued by the Department to first responders at the time of issuance, therefore, any requirement in Section 173.2655.3(1)(a) would already be met.

Officials from **Department of Corrections (DOC)** assume per 67.145 of RMSo the definition of first responder does not include DOC.

Officials from the **Missouri Highway Patrol** defer to the Department of Public Safety – Directors Office for the potential fiscal impact of this proposal.

Officials from the **Department of Commerce and Insurance, Department of Higher Education and Workforce Development, Office of Budget and Planning, Phelps County Sheriff's Department, Kansas City Police Department, and St. Louis County Police Department** each assume that there will be no fiscal impact. **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 **University of Missouri System (UM)** assume that 120 credit hours tuition cost \$54,600 in academic year 2025. This fiscal impact would be this amount multiplied by the number of students who were eligible to receive this waiver, which they cannot estimate at this time.

Oversight notes the University of Missouri's response indicates an average cost per credit hour of \$455 (\$54,600/ 120 hours) for academic year 2025.

Officials from the **University of Central Missouri (UCM)** assume there will be an indeterminate fiscal impact at UCM.

Officials from the **Northwest Missouri State University** assume the volume of students that would qualify is unknown, but this would require them to waive tuition for first responders and dependents.

Officials from the **Southeast Missouri State University (SEMO)** assume there is a potential negative impact of an undetermined amount. As an example, 25 individuals recently graduated from SEMO's Law Enforcement Academy. Assuming all of these individuals continued at SEMO to pursue a four-year degree, the potential negative fiscal impact on SEMO would exceed \$240,000 at current tuition rates on an annual basis through degree completion.

Oversight assumes this proposal could negatively impact UM and other qualifying colleges and universities by more or less than \$455 per credit hour for 120 hours or more or less than \$54,600 per undergraduate degree. Based on the eligible individuals reported by DPS, if all 45,708 members received a waiver of tuition to be reimbursed by the UM and other colleges and universities, the fees lost could total more or less than \$2,495,656,800. It is further assumed that 120 credit hours will take the average student 4 years to complete though the proposal offers a tuition waiver under the proposal for up to five years. Therefore, Oversight assumes College and University Funds could lose tuition more or less than \$623,914,200 ($\$2,495,656,800/4$) per year starting in FY 2026.

Oversight notes Community Colleges would also be impacted by this proposal. However, since no community colleges responded to Oversight's fiscal note request, Oversight will reflect a \$0 fiscal impact (tuition and fee waiver program not utilized) to an "Unknown" loss of fees to Local Governments – Community Colleges.

Oversight notes the public institution of higher education shall waive one hundred percent of the first responder's or the legal dependent's tuition remaining due after subtracting awarded federal financial aid grants and state scholarships and grants for an eligible first responder or legal dependent during the time the first responder or legal dependent is enrolled. However, it is unknown how many participants will take advantage of the proposed program so Oversight will reflect a zero to unknown cost to the college, universities, and community colleges.

Oversight only reflects the responses received from state agencies and political subdivisions; however, other colleges and universities were requested to respond to this proposed legislation but did not. A listing of political subdivisions included in the Missouri Legislative Information System (MOLIS) database is available upon request.

Rule Promulgation

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

Officials from the **Office of the Secretary of State (SOS)** note 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.

<u>FISCAL IMPACT – State Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
OTHER STATE FUNDS			
<u>Loss – Colleges and Universities – Reduction in tuition collected due to tuition waiver (§173.2655) p.4</u>	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>
ESTIMATED NET EFFECT ON OTHER STATE FUNDS	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
LOCAL POLITICAL SUBDIVISIONS			
<u>Loss – Community colleges – Reduction in tuition collected due to tuition waiver (§173.2655) p.4</u>	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>

FISCAL IMPACT – Small Business

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

FISCAL DESCRIPTION

This act establishes the "First Responder Recruitment and Retention Act" to provide free college tuition for first responders and their legal dependents. The act defines a "first responder" as any person who is trained and authorized by law or rule to render emergency medical assistance or treatment, including, but not limited to, police officers, firefighters, paramedics, and other professionals described in the act.

A first responder shall be entitled to a waiver of 100% of the resident tuition charges of a public institution of higher education if the first responder presents to the Department of Higher Education and Workforce Development (DHEWD) verification of his or her current, valid license in a profession specified in the act, if applicable, along with a certificate of verification signed by his or her employer verifying that the individual is a first responder who is trained and authorized to render emergency medical assistance or treatment. The first responder shall also meet all admission requirements of the public institution of higher education and pursue an associate degree or baccalaureate degree that relates to a career as a first responder. Each year the first responder or legal dependent applies for and receives the tuition waiver, the first responder shall file with DHEWD documentation showing proof of employment as a first responder and proof of residence in Missouri.

A legal dependent of a first responder is also eligible for a tuition waiver if he or she executes an agreement with the public institution of higher education he or she attends outlining the terms and conditions of the tuition waiver, including the legal dependent's commitment to reside in Missouri for the next five years, as well as a commitment provide a copy of his or her state income tax return annually to DHEWD in order to prove his or her residency in Missouri. The agreement shall also include a provision that if the tuition waiver recipient fails to provide proof of residency in Missouri for the five-year period following the use of the tuition waiver, he or she shall repay the public institution of higher education the amount of tuition that was waived. Finally, the agreement shall provide that any residency, filing, or payment obligation incurred by the tuition waiver recipient under the act is canceled in the event of the tuition waiver recipient's total and permanent disability or death.

The legal dependent shall satisfy certain other criteria to be eligible for a tuition waiver. The legal dependent shall not have previously earned a baccalaureate degree, and he or she shall meet all admission requirements of the public institution of higher education he or she wishes to attend. The legal dependent shall also complete and submit a Free Application for Federal Student Aid and provide verification of the first responder's eligibility for the tuition waiver to the public institution of higher education, as provided in the act.

A first responder or his or her legal dependent may receive a tuition waiver under the act for up to five years if he or she otherwise continues to be eligible for the waiver. The five years of tuition waiver eligibility starts once the first responder or his or her legal dependent applies for

and receives the tuition waiver for the first time and is available to such first responder or legal dependent for the next five consecutive years.

A public institution of higher education shall waive 100% of the first responder's or legal dependent's tuition remaining due after subtracting awarded federal financial aid grants and state scholarships and grants for an eligible first responder or legal dependent.

An application for a tuition waiver shall include a verification of the first responder's satisfaction of the requirements of the act, including proof of the first responder's employment and residency status. The first responder shall include such verification when the first responder or the first responder's legal dependent is applying to the public institution of higher education in order to obtain a tuition waiver upon initial enrollment.

The death of a first responder in the line of duty shall not disqualify such first responder's otherwise eligible legal dependent from receiving the tuition waiver. In such a case, in lieu of submitting verification that the first responder is employed as a first responder, the legal dependent shall submit a statement attesting that, at the time of death, the first responder satisfied the requirements of the act, and the first responder died in the line of duty, as described in the act.

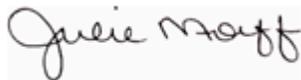
Within 45 days after receipt of a completed application for a tuition waiver, the public institution of higher education shall send written notice of the first responder's or legal dependent's eligibility or ineligibility for the tuition waiver. If the first responder or legal dependent is determined not to be eligible for the tuition waiver, the notice shall include the reason or reasons for such determination.

The five-year residency requirement for a legal dependent who receives a tuition waiver begins once the legal dependent applies for and receives the tuition waiver and continues until the tuition waiver recipient (a) completes the five-year tuition waiver eligibility period, (b) completes a baccalaureate degree, (c) completes an associate degree and notifies DHEWD that he or she does not intend to pursue a baccalaureate degree or additional associate degree using tuition waivers, or (d) notifies DHEWD that he or she does not plan to use additional tuition waivers.

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

Department of Commerce and Insurance
Department of Higher Education and Workforce Development
Department of Health and Senior Services
Department of Corrections
Department of Public Safety- Directors Office
Department of Public Safety- Highway Patrol
Secretary of State
University of Missouri System
Southeast Missouri State University
Budget and Planning
Phelps County Sheriff Department
Kansas City Police Department
St. Louis County Police Department
University of Central Missouri
Joint Committee on Administrative Rules



Julie Morff
Director
February 10, 2025



Jessica Harris
Assistant Director
February 10, 2025