

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5751S.05C
 Bill No.: SCS for SB 1003
 Subject: Employees - Employers; Insurance - General; Insurance - Life; Military Affairs;
 National Guard; State Employees; Veterans
 Type: Original
 Date: February 9, 2026

Bill Summary: This proposal modifies various provisions relating to military affairs.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND

FUND AFFECTED	FY 2027	FY 2028	FY 2029
General Revenue	(Could exceed \$501,932)	(Could exceed \$501,932)	(Could exceed \$501,932)
Total Estimated Net Effect on General Revenue	(Could exceed \$501,932)	(Could exceed \$501,932)	(Could exceed \$501,932)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Missouri National Guard Cybersecurity Revolving Fund*	\$0	\$0	\$0
Colleges and Universities**	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
Total Estimated Net Effect on Other State Funds	<b style="text-align: right;">\$0 or (Unknown)	<b style="text-align: right;">\$0 or (Unknown)	<b style="text-align: right;">\$0 or (Unknown)

*Revenue and expenses net to zero.

**Oversight assumes the fiscal impact is for the increased leave of absence hours paid to college and university employees for qualified military service.

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)

FUND AFFECTED	FY 2027	FY 2028	FY 2029
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 2027	FY 2028	FY 2029
Local Government*	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)

FISCAL ANALYSIS

ASSUMPTION

§41.216 – Missouri Family Relief Fund

Officials from the **Missouri National Guard (MONG)** assume the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for the agency.

§§41.475, 41.598, and 41.599 – Creation of New Missouri National Guard Ribbons

Officials from the **Missouri National Guard** state that the program will cost the department \$2,100 (\$700 per ribbon category for initial setup) for the original production of each of the ribbons and then \$600 annually (\$200 per ribbon category) to restock and will also be able to absorb the cost of the ribbons. The original estimation is 100 ribbons per program.

Oversight notes that these sections create three new ribbons that can be awarded to MONG members that meet the qualifications set forth by the Adjutant General.

Oversight notes that the above-mentioned agency has stated the cost of this provision could be absorbed within current appropriations. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note.

§§41.1015-41.1018 - Cybersecurity Mission Act

Officials from the **Missouri National Guard** state that there is no fiscal impact. If the legislation passes, then the Missouri National Guard would need spending authority in its budget for the fund created by that legislation.

Oversight notes that this proposal creates the “Cybersecurity Mission Act”, which provides that the Missouri National Guard may engage in cybersecurity, cyber-attack prevention, cyber-attack response, and cyber-attack support activities for this state and for political subdivisions, governing bodies, public colleges and universities, law enforcement agencies, utility companies, and critical infrastructure facilities of this state.

Oversight notes that this proposal also creates the “Missouri National Guard Cybersecurity Revolving Fund” and shall consist of monies appropriated by the General Assembly and monies received as a charge and monies received as reimbursement for expenses incurred by the Missouri National Guard related to rendering aid under this act. For simplicity, Oversight assumes any funds will be utilized in the year in which they were received.

Oversight will reflect a \$0 (no appropriation) or unknown transfer from General Revenue to the Missouri National Guard Cybersecurity Revolving Fund for reimbursement of the expenses incurred.

§§42.300, 42.311, 42.312, 42.313, 42.315, and 42.316 - Veterans Commission Service Recognition Updates

In response to a previous version, officials from the **Missouri Veterans Commission (MVC)** stated that there is a limited fiscal impact as MVC is already creating forms and soliciting designs for medallions, medals and certificates.

Oversight assumes the MVC is provided with core funding to handle a certain amount of activity each year. Oversight assumes the MVC could absorb the costs related to this provision. If multiple bills pass which require additional staffing and duties at substantial costs, the MVC could request funding through the appropriation process.

§105.265 - State-Sponsored Life Insurance Program

Officials from the **Missouri National Guard** assume the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for the agency.

Upon further inquiry, MONG stated they have already been doing this for years until recent federal regulations prohibited it. The new state law would just allow the MONG to continue what it had already been doing for years.

§105.270 - Leave from Employment for Military Service

Officials from the **Office of Administration (OA)** assume §105.270 states all officers and employees of this state, or of any department or agency thereof, or of any county, municipality, school district, or other political subdivision, and all other public employees of this state who are or may become members of the National Guard or of any reserve component of the Armed Forces of the United States, shall be entitled to leave of absence from their respective duties, without loss of time, pay, regular leave, impairment of efficiency rating, or of any other rights or benefits, to which otherwise entitled, for all periods of military services during which they are engaged in the performance of duty or training in the service of this state at the call of the governor and as ordered by the adjutant general without regard to length of time, and for all periods of military services during which they are engaged in the performance of duty in the service of the United States under competent orders for a period not to exceed a total of one hundred sixty hours in any federal fiscal year.

Thus, allowing an additional 40 hours of leave with pay - military time. The increase in hours would potentially have a cost impact of \$0 to unknown, but a potential estimate of \$501,931.60.

Calculations are based on the team members from Federal Fiscal Year 2025 who utilized leave with pay-military time (467 Team members) multiplied by the average hourly rate state team members (\$26.87) multiplied by the proposed hours of 160 minus the team members from Federal Fiscal Year 2025 who utilized leave with pay-military time (467 Team members) multiplied by the average hourly rate state team members (\$26.87) by 120.

$$((467 * \$26.87) * 160) - ((467 * \$26.87) * 120) = \$501,935.20$$

There is no way to calculate how much of this leave would be used, and specifically, how many military state team members would utilize the full amount of leave. The OA is unable to say for certain the number and duration that a military state team member would use leave with pay-military time, the OA has calculated a range of \$0 to unknown, but a potential estimate of \$501,931.60.

Oversight does not have any information to the contrary. Therefore, Oversight will show the fiscal impact of up to \$501,932 in cost to General Revenue for various state agencies as estimated by the OA.

Oversight notes that §105.270.1 includes who is considered a qualified employee for leave with pay – military time. Therefore, for fiscal note purposes, Oversight will show a fiscal impact to colleges and universities along with local political subdivisions of \$0 (no qualified employees take leave with pay – military time) to an Unknown cost for qualified employees that take leave with pay that could exceed the \$250,000 threshold.

Officials from the **Missouri National Guard** assume the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for the agency.

§173.239 – Missouri National Guard Education Assistance Updates

Officials from the **Missouri National Guard** stated that removing the GI Bill language will make it easier for post-secondary institutions to process the current tuition waiver. Currently, some GI Bill payments go directly to the service members for living expenses, etc. which makes it almost impossible for the colleges to track.

Upon further inquiry, the MONG stated there are currently approximately 11,000 active MONG members and for the fall 2025 semester, 630 members utilized the state tuition assistance program.

In addition, the current reimbursement rate a member of the MONG receives is up to to \$383 per undergraduate credit hour completed with a maximum of 15 credit hours for spring semester and 15 credit hours for fall semester and 9 summer hours. The proposal will have no fiscal impact on the MONG as it will continue to provide tuition assistance up to their maximum amount.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for the agency.

Officials from the **University of Central Missouri** state that there could be an indeterminate fiscal impact.

Oversight assumes that there will not be a fiscal impact for UCMO due to the removal of the GI Bill educational entitlements (§173.239.1) within the proposal.

§41.220 – Repeal of the Military Council

Officials from the **Missouri National Guard** assume the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for this agency.

Oversight notes this section repeals the Military Council, which duties included acting in an advisory capacity on matters provided by the Governor and the Adjutant General and making recommendations of appropriations and expenses of the MONG.

Bill as a Whole

Officials from the **Department of Higher Education and Workforce Development, Department of Revenue, Department of Public Safety- Office of the Director, Northwest Missouri State University, University of Missouri, and Office of the State Treasurer** 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.

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 2027 (10 Mo.)	FY 2028	FY 2029
GENERAL REVENUE			
<u>Transfer Out</u> – (§41.1016) To the Missouri National Guard Cybersecurity Revolving Fund p.3	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<u>Cost</u> – OA (§105.270) For increased leave of absence hours paid to state team members for qualified military service. p.5	(Up to \$501,932)	(Up to \$501,932)	(Up to \$501,932)
ESTIMATED NET EFFECT ON THE GENERAL REVENUE	(Could exceed \$501,932)	(Could exceed \$501,932)	(Could exceed \$501,932)
MISSOURI NATIONAL GUARD CYBERSECURITY REVOLVING FUND			
<u>Transfer In</u> – (§41.1017) From General Revenue p.3-4	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Revenue</u> – (§41.1017) Monies received as a charge for expenses incurred by MONG p.3-4	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Revenue</u> – (§41.1017) Monies received as reimbursement for expenses incurred by MONG p.3-4	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Cost</u> – (§41.1017) Expenses for rendering aid p.3-4	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
ESTIMATED NET EFFECT ON MISSOURI NATIONAL GUARD CYBERSECURITY REVOLVING FUND	\$0	\$0	\$0

<u>FISCAL IMPACT – State Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
COLLEGES AND UNIVERSITIES			
<u>Cost</u> – (\$105.270) For increased leave of absence hours paid to employees for qualified military service. p.5	\$0 <u>or Unknown</u>	\$0 <u>or Unknown</u>	\$0 <u>or Unknown</u>
ESTIMATED NET EFFECT ON COLLEGES AND UNIVERSITIES	\$0 <u>or Unknown</u>	\$0 <u>or Unknown</u>	\$0 <u>or Unknown</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
LOCAL POLITICAL SUBDIVISIONS			
<u>Cost</u> – Various (\$105.270) For increased leave of absence hours paid to employees for qualified military service. p.5	\$0 <u>or Unknown</u>	\$0 <u>or Unknown</u>	\$0 <u>or Unknown</u>
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	\$0 <u>or Unknown</u>	\$0 <u>or Unknown</u>	\$0 <u>or Unknown</u>

FISCAL IMPACT – Small Business

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

FISCAL DESCRIPTION

This act modifies provisions relating to military affairs.

GRANTS FROM THE MISSOURI MILITARY FAMILY RELIEF FUND (SECTION 41.216)
 This act modifies the composition of the panel that recommends to the Adjutant General to make grants or provide other financial assistance or services from the Missouri Military Family Relief Fund. Instead of a sergeant major of the Missouri National Guard, the panel shall include a senior enlisted leader of the Missouri National Guard. This act also provides that the Adjutant General, rather than the panel, shall have the power to establish criteria for the grants. Furthermore, the grants may be made to members of the Missouri National Guard in addition to families of members and other reserve members of the Armed Forces of the United States.

MISSOURI NATIONAL GUARD RIBBONS (SECTION 41.475, 41.598 & 41.599)

This act establishes a Missouri National Guard Counterdrug Program Ribbon, which the Adjutant General is authorized to present to any member of the Missouri National Guard who has participated in the Counterdrug Program after January 1, 1989. This act also establishes the Missouri National Guard Homeland Response Force Program Ribbon, which the Adjutant General is authorized to present to any member of the Missouri National Guard who has participated in the Homeland Response Force Program after January 1, 2012. This act establishes a Missouri

National Guard Engineer Explosive Ordnance Clearance Agent Ribbon, which the Adjutant General is authorized to present to any member of the Missouri National Guard who has participated in a engineer explosive ordnance clearance agent course after January 1, 2012.

CYBERSECURITY MISSION ACT (SECTIONS 41.1015 TO 41.1018)

This act establishes the Cybersecurity Mission Act, which provides that upon the request of the Director of the Department of Public Safety, the Missouri National Guard may enter into agreements for aid related to cybersecurity, cyber-attack prevention, cyber-attack response, and cyber-attack support activities for this state and for political subdivisions, governing bodies, public colleges and universities, law enforcement agencies, utility companies, and critical infrastructure facilities of this state. The Adjutant General may activate members on state order to carry out such activities. The Missouri National Guard Cyber-Security Revolving Fund is created and shall consist of monies appropriated by the General Assembly and monies received as a charge and monies received as reimbursement for expenses incurred by the Missouri National Guard related to rendering aid under this act.

RECOGNITION MEDALS (SECTIONS 42.300 TO 42.316)

The Missouri Veterans' Commission may use the Veterans Commission Capital Improvement Trust Fund for payment of expenses associated with providing medals, medallions, and certificates in recognition of service in the Armed Forces of the United States for any conflict, war, operation, and similar incident identified in law, rather than during World War II, the Korean Conflict, and the Vietnam War.

Furthermore, this act provides that spouses or eldest living survivors of a deceased veteran, who was entitled to but died prior to applying, may apply for, on behalf of the deceased veteran, the following medallions, medals, and certificates:

- Operation Iraqi Freedom and Operation New Dawn;
- Operation Enduring Freedom, Operation Freedom's Sentinel, and Operation Allies Refuge Program; and
- Operation Desert Shield and Operation Desert Storm.

The Missouri Veterans' Commission shall design the form for such medallions, medals, and certificates. The Adjutant General shall determine as expeditiously as possible those persons who

are entitled to such medallions, medals, and certificates and shall notify the General Assembly when such supply totals less than 100.

STATE-SPONSORED LIFE INSURANCE PROGRAM (SECTION 105.265)

This act provides that the Adjutant General shall be the official sponsor of the state-sponsored life insurance program, which is the life insurance program exclusively offered to all members of the Missouri National Guard through the Missouri National Guard Association in accordance with federal law. The Missouri National Guard Association shall select the insurer used to provide the program. Furthermore, the Adjutant General shall:

- (1) Allow, facilitate, and coordinate all efforts to make the program available to all Missouri National Guard members;
- (2) Provide an opportunity for Missouri National Guard members to purchase products of the program;
- (3) Allow, facilitate, and coordinate requested allotments with the appropriate United States Property and Fiscal Office;
- (4) Allow program representatives to provide Missouri National Guard members with program briefings during annual training and inactive duty training periods; and
- (5) Allow Missouri National Guard members to designate or change beneficiaries under the program.

LEAVE FROM EMPLOYMENT FOR MILITARY SERVICE (SECTION 105.270)

This act expands, from 120 to 160, the maximum number of hours in leave of absence per federal fiscal year that certain public employees are entitled to take to perform specified military duties without loss of time, pay, regular leave, impairment of efficiency rating, or of any other rights or benefits to which the employees are otherwise entitled.

TUITION AND FEE WAIVERS FOR MISSOURI NATIONAL GUARD MEMBERS (SECTION 173.239)

Currently, the tuition and fee waiver for undergraduate courses at Missouri higher education institutions to Missouri National Guard members apply after GI Bill educational entitlements. This act repeals this provision.

REPEAL OF THE MILITARY COUNSEL (SECTION 41.220)

Finally, this act repeals the Military Council, which duties included acting in an advisory capacity on matters provided by the Governor and the Adjutant General and making recommendations of appropriations for the needs of the militia and expending such appropriations.

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 Higher Education and Workforce Development
Department of Revenue
Department of Public Safety
 - Office of the Director
 - Missouri Veterans Commission
Joint Committee on Administrative Rules
Missouri National Guard
Office of Administration
Office of the Secretary of State
Office of the State Treasurer
University of Missouri
Northwest Missouri State University
University Of Central Missouri

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