

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 5276H.01P  
Bill No.: Perfected HB 2650  
Subject: Education, Higher  
Type: Original  
Date: March 27, 2024

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Bill Summary: This proposal modifies provisions relating to the Department of Higher Education and Workforce Development.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: () indicate costs or losses.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2027</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 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</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 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

§§23.295, 30.756, 160.575, 173.239, 173.385, 173.2565, 173.2566, 173.2570, 173.2571, 173.2572, 178.550, 178.585, 186.019, 288.040, 620.010, 620.515, and 640.030 – Modifies duties of the Department of Higher Education and Workforce Development

Officials from the **Department of Higher Education and Workforce Development** 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.

Officials from the **Department of Economic Development (DED)** assume the proposal will have no fiscal impact on their organization. The Division of Workforce Development transferred to the Department of Higher Education and Workforce Development in FY 2019 by Executive Order and in the FY 2020 budget. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note.

Officials from the **University of Central Missouri (UCM)** state there is a possible increase in revenue from the expansion of the MO Heroes Connect Program. The fiscal impact is indeterminate.

**Oversight** has no information to the contrary. Oversight assumes any impact to UCM will be minimal and, therefore, assumes no fiscal impact for fiscal note purposes.

**Oversight** notes the name of the Show-Me Heroes program is changed to the Missouri Heroes Connect program. In addition, §620.515 also removes the “5-year period” following discharge from deployment limitation relating to when the primary income earner is on active duty for the National Guard.

The Department of Higher Education and Workforce Development (DHEWD), Office of Workforce Development (OWD) administers employment and training programs authorized and funded by the federal government. The funds are provided to carry out programs required by the Workforce Innovation and Opportunity Act (WIOA), the Wagner-Peyser Act, the Trade Adjustment Assistance Act, Veterans' Employment and Training Services, and other federal employment and training programs that complement the state workforce system. This core also includes funding for the Show-Me Heroes Program which promotes the hiring of veterans and provides on-the-job training opportunities to military and National Guard members returned from deployment or separated from active duty. The program is subject to appropriation.

The DHEWD, OWD's 2025 budget request of approximately \$21.5 million includes funding for this program, including \$500,000 in Federal funds for the Show-Me Heroes Program (Fund 0995).

Officials from the **Department of Elementary and Secondary Education**, the **Department of Natural Resources**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety - Missouri Veterans Commission**, the **Department of Social Services**, the **Missouri Department of Conservation**, the **Missouri National Guard**, the **Office of the State Treasurer**, the **Concordia R-II School District** and **Northwest Missouri State University** 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.

In response to similar legislation from the current session (SB 1371), officials from the **Department of Commerce and Insurance**, the **Office of Administration**, and the **University of Missouri System** each assumed the proposal would have no fiscal impact on their respective organizations.

#### 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.

**Oversight** only reflects the responses received from state agencies and political subdivisions; however, other colleges, universities and schools 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.

<u>FISCAL IMPACT – State Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
	<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

The proposed legislation appears to have no direct fiscal impact.

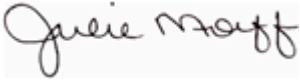
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

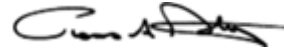
- Department of Commerce and Insurance
- Department of Economic Development
- Department of Elementary and Secondary Education
- Department of Higher Education and Workforce Development
- Department of Natural Resources
- Department of Labor and Industrial Relations
- Department of Revenue
- Department of Public Safety - Missouri Veterans Commission
- Department of Social Services
- Missouri Department of Conservation
- Missouri National Guard
- Office of Administration
- Office of the Secretary of State
- Office of the State Treasurer
- Concordia R-II School District
- University of Missouri System

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Northwest Missouri State University  
University of Central Missouri  
Joint Committee on Administrative Rules



Julie Morff  
Director  
March 27, 2024



Ross Strobe  
Assistant Director  
March 27, 2024