

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0410H.01I
Bill No.: HB 419
Subject: Higher Education; Department of Education and Workforce Development,
Department of Veterans; Military Affairs
Type: Original
Date: January 6, 2025

Bill Summary: This proposal clarifies that military personnel are eligible for in-state tuition for undergraduate and graduate degree programs.

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
College & University Funds*	\$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 assumes any reduction in tuition and fees received by colleges and universities would not reach the \$250,000 threshold annually.

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	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

§§41.890 and 173.1153 – Military personnel eligible for in-state tuition

Officials from the **Department of Higher Education and Workforce Development**, the **Missouri National Guard**, the **University of Central Missouri**, and the **University of Missouri System** each assume the proposal will have no fiscal impact on their respective organizations.

In response to similar legislation, HB 1832 (2024), officials from **Northwest Missouri State University (NWMSU)** assume the proposal will have no fiscal impact to their organization unless the State does not reimburse for tuition and fees (e.g. Returning Heroes Program).

Due to the limited number of responses received from colleges and universities, **Oversight** assumes Colleges and Universities may experience a reduction in tuition and fees received from military personnel and relatives and will reflect a potential (\$0 or) negative unknown fiscal impact for College and University Funds. Oversight has no information on the number of military personnel or their family members that take advantage of this benefit, or if any of them are paying out of state tuition for undergraduate or graduate degree programs. Oversight assumes this proposal clarifies that the benefit applies to both undergraduate and graduate degree programs. For fiscal note purposes, Oversight assumes if some colleges are not applying the benefit to both, there could be a reduction in tuition revenue to colleges and universities with the passage of this proposal; however, Oversight assumes any decrease in tuition and fees would not reach the \$250,000 threshold per year.

<u>FISCAL IMPACT – State Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
COLLEGE & UNIVERSITY FUNDS			
<u>Loss – Colleges and Universities - reduction in tuition and fees received by colleges and universities (§§41.890 and 173.1153) p. 3</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>
ESTIMATED NET EFFECT ON COLLEGE & UNIVERSITY FUNDS	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
	<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

This bill clarifies that specified military service personnel, their spouses, and their unemancipated children under 24, individuals serving in the Missouri National Guard, and any individuals serving in a reserve component of the Armed Forces of the United States, be considered Missouri residents for the purposes of any undergraduate or graduate degree program in Missouri institutions of higher education.

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
Missouri National Guard
University of Missouri System

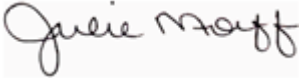
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Northwest Missouri State University
University of Central Missouri

A handwritten signature in cursive script, reading "Julie Morff".

Julie Morff
Director
January 6, 2025

A handwritten signature in cursive script, reading "Jessica Harris".

Jessica Harris
Assistant Director
January 6, 2025