

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0410S.04T
Bill No.: Truly Agreed to and Finally Passed SS No. 2 for HB 419
Subject: Business and Commerce; Department of Economic Development; Higher Education; Military Affairs; State Treasurer; Veterans
Type: Original
Date: June 27, 2025

Bill Summary: This proposal modifies provisions relating to education.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND				
FUND AFFECTED	FY 2026	FY 2027	FY 2028	Fully Implemented (FY 2031)
General Revenue*	(\$240,951)	More or less than (\$851,984)	More or less than (\$1,620,387)	More or less than (\$4,470,382)
Total Estimated Net Effect on General Revenue	(\$240,951)	More or less than (\$851,984)	More or less than (\$1,620,387)	More or less than (\$4,470,382)

***Oversight** notes the Public Safety Recruitment and Retention Fund is subject to appropriation by the General Assembly and awarded by the DHEWD. If changes to the program are not funded, the impact will be \$0. DHEWD's estimate includes cost for loan services, 1 FTE, and grants to cover the cost of tuition and fees at Missouri public postsecondary institutions for public safety officers and first responders from §173.2655.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS				
FUND AFFECTED	FY 2026	FY 2027	FY 2028	Fully Implemented (FY 2031)
Public Safety Recruitment and Retention Fund	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
College & University Funds	More or less than (\$5,500,000)	More or less than (\$4,785,144)	More or less than (\$3,998,848)	More or less than (\$1,155,460)
Total Estimated Net Effect on <u>Other</u> State Funds	More or less than (\$5,500,000)	More or less than (\$4,785,144)	More or less than (\$3,998,848)	More or less than (\$1,155,460)

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS				
FUND AFFECTED	FY 2026	FY 2027	FY 2028	Fully Implemented (FY 2031)
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)				
FUND AFFECTED	FY 2026	FY 2027	FY 2028	Fully Implemented (FY 2031)
General Revenue	1 FTE	1 FTE	1 FTE	1 FTE
Total Estimated Net Effect on FTE	1 FTE	1 FTE	1 FTE	1 FTE

- ☒ 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	Fully Implemented (FY 2031)
Local Government	\$0	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

§§41.890 and 173.1153 – Military Personnel Eligible For In-State Tuition

In response to similar legislation, HB 419 (2025), officials from the **University of Missouri** assumed the proposal will have no fiscal impact on their organization.

In response to similar legislation, HB 1832 (2024), officials from **Northwest Missouri State University (NWMSU)** assumed the proposal will have no fiscal impact on 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.

§160.701 – Provisions for Activities Associations

Oversight notes based on conversations with the deputy director of the Missouri National Guard, there are approximately 400 split training students. This legislation is directed at creating exemptions for students in regard to school activity association. Therefore, Oversight assumes this provision will have no fiscal impact.

§§172.280 & 174.160 – Authority to Confer Degrees at Colleges/Universities

Officials from the **University of Missouri System (UM)** state the fiscal impact of language enabling MSU to offer research doctorates and/or bachelor's degrees in veterinary technology is unknown but could exceed \$250,000.

In response to similar legislation, SB 11 (2025), officials from the **UM** stated the fiscal impact on the UM System is difficult to predict but could be significant. It is reasonable to believe that starting new PhD programs, professional degrees, and engineering degrees will significantly increase expenditures at other institutions. These cost increases would require a significant increase in state funding for these institutions, causing a corresponding loss of state funding to the UM System and its four universities.

Oversight assumes UM could experience a negative fiscal impact as a result of this proposal since students could opt to attend another university to obtain their desired degree and that other universities in Missouri would incur additional administrative expenses starting up/adding new programs. The administrative expenses may or may not be offset by an increase in enrollment. Therefore, for fiscal note purposes, Oversight assumes this proposal will have a \$0 or unknown negative fiscal impact on universities.

In addition, the net effect on tuition/fees lost by UM and received by other universities will not be significantly different. Lastly, Oversight assumes the impact could be greater than \$250,000 if even one university decided to create a new graduate, professional and/or engineering program at their institution. Oversight will range the impact from \$0 to an unknown amount.

§172.345 - Veterans Day Shall be a Public Holiday for All Employees of the University of Missouri System

In response to similar legislation, SB 89 (2025), officials from the **University of Missouri (UM)** stated that designating Veteran's Day as a holiday is projected to cost the University \$5.5 million.

Oversight does not have information to the contrary. Therefore, Oversight will reflect the estimated cost as provided by the University of Missouri.

§§172.640 and 172.650 – State University Seminary Fund

In response to similar legislation, SB 627 (2025), officials from the **University of Missouri (UM)** assumed this would have a positive impact on the university. It would simplify the process for handling the seminary fund.

Upon further inquiry, **UM** stated the current operational process for investing and withdrawing the funds involves an unduly cumbersome and time-consuming multi-step process involving several departments on the part of both the University and the Treasurer, all to administer a relatively small amount of money in the context of the overall finances of the State and the University. The real savings come in time savings from a more efficient process and the reduction in possible mistakes from staff turnover in either office. This fund will last forever, so any improvements will be beneficial for the long term.

Furthermore, they stated this does not impact the size of their staff. The improvement is to simplify the process between their office and the Missouri Treasurer's office. The MO Treasurer's office will no longer have to purchase the bonds and custody the investments on their behalf. UM will handle that in their office, and they are already equipped to do this.

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

§173.1352 – Undergraduate Course Credits for Students Who Score 4 or Higher on International Baccalaureate Exams

In response to similar legislation, SB 243 (2025), officials from the **University of Missouri System** assumed the proposal would have no fiscal impact on their respective organization. **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, HB 2415 (2025), officials from **Northwest Missouri State University** assumed the proposal would have no fiscal impact on their respective organization.

§173.2655 - Public Safety Recruitment and Retention Act

Officials from the **Department of Higher Education and Workforce Development (DHEWD)** assume this legislation creates two new sections, 173.2655 and 173.2660, which establishes the “Public Safety recruitment and Retention Act.” This act creates a grant for public safety officers and first responders (dispatchers, EMTs, fire fighters, paramedics, and police officers) to cover the cost of tuition and fees at Missouri public postsecondary institutions after working for 6 years, and for their dependents after working 10 years. The legislation also allows participation at non-profit, private institutions, but appears to limit the amount students can receive based on the rate at public institutions.

According to data from the U.S. Bureau of Labor Statistics’ Occupational Employment and Wage Statistics Program (BLS – OEWS), there are 29,050 full-time public safety officers and first responders in the state (3,190 dispatchers, 3,670 EMTs, 5,570 fire fighters, 3,550 paramedics, and 13,070 police officers). Although the legislation limits this award to those with at least six years of service, the best available data, from Zippia.com, indicates that just over 44 percent of public safety officers and first responders have been on the job for at least five years, and that 47.5 percent have below a bachelor’s degree. Assuming a three percent utilization rate for those meeting the eligibility criteria, the department estimates that **183 individuals** would be eligible ($29,050 * 44.2 \text{ percent with eligible service} * 47.5 \text{ percent below a bachelor’s degree} * 3 \text{ percent utilization}$).

Additionally, this allows the dependents of public safety officers and first responders, who have at least 10 years of service (19 percent), to receive this grant, which would include spouses and children. According to Pew Research, about 53 percent of individuals are married, and Census data indicates that 68 percent of adults have below a bachelor’s degree. Applying national enrollment trends by age on the population, they estimate that around three percent of Missourians between the ages of 25 and 64 attend college, which would result in **60 eligible spouses** ($29,050 * 19 \text{ percent with 10 years of service} * 53 \text{ percent that are married} * 68 \text{ percent below a bachelor’s degree} * 3 \text{ percent utilization}$). Further, Pew Research estimates that 39 percent of families have children, and the average family size is 1.4 dependents. Of those, roughly 9.5 percent are 18-24, of which 80 percent will stay in state and 60 percent will attend a public postsecondary institution, resulting in **137 eligible children** ($29,050 * 19 \text{ percent with 10}$

years of service * 39 percent with children * 1.4 dependents * 9.5 percent of college going age * 80 percent staying in-state * 60 percent attending a public college or university).

This results in **380 individuals eligible for the award**. If assumed that roughly 32 percent attend community colleges (where tuition and fees average \$5,104 a year for full-time students) and 68 percent attend a public four-year institution (where tuition and fees average \$11,418.73 a year for full-time students), the total is \$3.57 million. Because these individuals have been working in their positions at least six years, the department does not believe they would be Pell or Fast Track eligible, and only a negligible amount would be eligible to receive a small Access Missouri award.

DHEWD/OA-ITSD estimates that the changes needed to FAMOUS for this new program will cost \$166,698 in FY 2026, \$34,173 in FY 2027 and \$35,027 in FY 2028 for necessary changes and updates to FAMOUS to administer this program. This review and authorization process will require one additional FTE, at the assistant associate level, with an annual salary of \$43,860. Additional costs include one-time costs, such as furniture and supplies (\$3,331) and ITSD Equipment (\$1,865.24, plus an additional monitor for \$202.80), as well as ongoing expenses from ITSD (\$4,494.74).

Oversight notes DHEWD is assuming a three percent utilization rate for those meeting the eligibility criteria. Oversight has calculated the below based on DHEWD's methodology to show a range of utilization rates. However, Oversight is unable to determine how many individuals will be eligible or utilize the grant. Oversight further assumes transfers-in, and grants provided will net to \$0.

Percentage utilization/ individuals eligible	Cost
1% / 218	\$2,492,394
2% / 299	\$3,418,467
3% / 380	\$4,344,540
6% / 622	\$7,111,326
9% / 865	\$9,889,545
12% / 1108	\$12,667,764

Oversight notes DHEWD is assuming a three percent utilization rate for those utilizing these programs. Oversight assumes there will be a gradual rise in participation as students receive the award over several years and new students are added to the participant group; therefore, Oversight will reflect a step up in participation. In response to similar legislation HCS for HB Nos. 1514, 1525, and 1527, DHE provided the average award amounts for students receiving the award, which included a 5% inflation rate for award amounts. Therefore, using their estimates and Oversight calculations for stepped up participation, Oversight will reflect the cost below:

R&R	FY26	FY27	FY28	FY29	FY30	FY31
student	0	76	152	228	304	380
avg. award	\$0	\$9,406	\$9,876	\$10,370	\$10,889	\$11,433
award sub.	\$0	\$714,856	\$1,501,152	\$2,364,360	\$3,310,256	\$4,344,540

Officials from the **University of Central Missouri** assume the proposal will have an indeterminate fiscal impact. Possible increase in revenue from the Public Safety Retention Fund tuition awards.

In response to similar legislation, SCS for SB 71 (2025), officials from the **University of Missouri System** assumed 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 **DHEWD** estimate the department estimates that the fiscal impact for FY 2026 is between zero and \$241,673, to stand up the program. The department estimates this program will go into effect in FY 2027 and estimates the fiscal impact to be between zero and \$3.68 million. Assuming an annual inflationary increase of five percent per year, and an increase in participation of 7.5 percent, the costs for FY 2028 would range from zero to \$4.16 million.

Oversight notes 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

§173.2660 - Provisions for "Public Safety Recruitment and Retention Act"

Officials from **DHEWD** assume section 173.2660 requires the recipients of this award to remain in the state for five years and provide tax documentation to the department. For those who fail to remain in Missouri or file taxes over this five-year period, the grant would convert to a loan, which would require repayment. The department would need to contract with a loan servicer to handle this repayment and estimates that initial costs include at least \$20,000 in set up fees, and that ongoing costs would include \$25 per loan for onboarding and \$3.50 per loan per month servicing fee. Beyond the initial set up fees, these costs will not be immediate and will only be incurred later in the life of the program.

Oversight notes the servicer of the loans shall be the **Higher Education Loan Authority of the State of Missouri (MOHELA)**. However, without a response from MOHELA, Oversight will reflect the estimated impact by DHEWD in the fiscal note of \$20,000 in FY 2027 for loan servicing set up fee and zero (no repayments) or unknown cost starting in FY 2028.

Oversight notes, if a recipient of the award does not remain a Missouri resident for five years after accepting the award and does not garnish tax returns the recipient agreed that the award would be treated as a loan. Therefore, Oversight assumes repayment of the award through this loan process will result in an income to the Public Safety Recruitment and Retention Fund as \$0 to Unknown as it is unclear how many award recipients would be in violation.

Officials from the **Office of Administration – Budget & Planning** assume section 173.2660 creates the "Public Safety Recruitment and Retention Fund" to support public safety tuition awards. This fund does not have a dedicated source; transfers from General Revenue would be subject to appropriation. There are no limits on awards and are subject to appropriation. There is no direct impact on Total State Revenues.

§§191.600-191.615 - Missouri State Loan Repayment Program (MOSLRP)

Officials from **Department of Health and Senior Services (DHSS)** state the proposed legislative changes to 191.600 to 191.615 would update the list of eligible profession types to include all professions allowable under the federal Health Resources and Services Administration (HRSA) state loan repayment program (SLRP) grant, expanding the eligible professions that Missouri can offer loan repayment to under the SLRP grant.

The expansion of the eligible health professions in the proposed legislation would allow the Department of Health and Senior Services (DHSS), Office of Rural Health and Primary Care (ORHPC) to request additional federal funds for the SLRP program. The maximum award under the federal SLRP grant is \$1,000,000. Because the grant requires a 1:1 state match, ORHPC has historically only been able to apply for a maximum of \$425,000 in SLRP funds under the match requirement, utilizing donated funds to meet the match requirement.

Under the proposed legislation, health professions eligible under the state SLRP statutes would align with HRSA eligible health professions, allowing state funding received for the HPLRP program to be used to meet the HRSA SLRP match requirement. ORPHC could then receive up to an additional \$575,000 in federal funding to award loans to health professionals under the SLRP program, increasing the number of health professionals providing services in underserved areas. The Health Professional Student Loan Repayment Program (HPLRP) eligible professions are chosen by the Director of DHSS in consultation with the Office of Workforce Development in the Department of Higher Education and Workforce Development and the Department of Mental Health.

In further discussions with DHSS, officials from the **DHSS** state they can absorb the state match requirement for this federal program due to existing funding that can be used as match.

Oversight does not have any information to the contrary. Therefore, Oversight assumes the DHSS will be able to absorb the funding requirements of this proposal with current resources and will reflect no fiscal impact to the DHSS for fiscal note purposes.

§620.3250 - Boots to Business Program

For informational purposes, **Oversight** has provided the number of linked deposits approved to veteran-owned businesses according to the Office of the State Treasurer website ([Linked Deposit Annual Reports](#)) for the MO BUCKS program.

Program Year	Participants / Veterans	Total Amount	Average Loan amount per participant
2024	15	\$8,347,901	\$556,527
2023	27	\$12,561,025	\$465,223
2022	5	\$5,595,779	\$1,119,155
2021	5	\$1,729,603	\$345,921

Oversight notes current law requires any veteran who receives a small business loan through the State Treasurer's linked deposit program to complete a boots-to-business program approved by the Department of Economic Development. This proposal makes participation in such a program optional. Oversight notes that the Small Business Administration (SBA) offers the Boots to Business program at no cost for all veterans who provide a valid Department of Defense I.D. Therefore, Oversight will reflect a zero impact in the fiscal note.

Responses Regarding the Proposed Legislation as a Whole

Officials from the **Department of Revenue, Department of Public Safety - Office of the Director, Missouri National Guard, Office of the State Treasurer, Department of Economic Development**, and the **Department of Public Safety – Veterans Commission** each assume the proposal will have no fiscal impact on their 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 **Northwest Missouri State University** assume a potential material fiscal impact; volume is unknown and state funding is not guaranteed; also costly to manage because their system will not automatically manage the criteria for eligibility and continuation; the five-year residency in MO will be difficult to track and they will not be able to utilize the debt offset in MO so there will ultimately be no payback of the funds.

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	Fully Implemented (FY 2031)
GENERAL REVENUE				
<u>Costs – DHEWD/ITSD – FAMOUS changes/updates - §173.2655 p.6-8</u>	(\$166,698)	(\$34,173)	(\$35,027)	(\$37,720)
<u>Costs – DHEWD §173.2655 p.6-8</u>				
Personnel Service	(\$36,550)	(\$44,737)	(\$45,632)	(\$48,426)
Fringe Benefits	(\$27,809)	(\$33,723)	(\$34,081)	(\$35,201)
Expense & Equipment	(\$5,399)	\$0	\$0	\$0
ITSD ongoing costs	(\$4,495)	(\$4,495)	(\$4,495)	(\$4,495)
Total Costs – DHEWD	(\$74,253)	(\$82,955)	(\$84,208)	(\$88,122)
FTE Change	1 FTE	1 FTE	1 FTE	1 FTE
<u>Costs – DHEWD – Loan servicing §173.2660 p.9</u>	\$0	(\$20,000)	\$0 or (Unknown)	\$0 or (Unknown)
<u>Transfer out – DHEWD - Public Safety Recruitment and Retention Fund §173.2655 p.6-8</u>	<u>\$0</u>	<u>\$0 or More or less than (\$714,856)</u>	<u>\$0 or More or less than (\$1,501,152)</u>	<u>\$0 or More or less than (\$4,344,540)</u>

ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>(\$240,951)</u>	<u>More or less than (\$851,984)</u>	<u>More or less than (\$1,620,387)</u>	<u>More or less than (\$4,470,382)</u>
Estimated Net FTE Change on the General Revenue Fund	1 FTE	1 FTE	1 FTE	1 FTE
PUBLIC SAFETY RECRUITMENT AND RETENTION FUND				
<u>Transfer in</u> – §173.2655 from General Revenue to Public Safety Recruitment and Retention Fund p.6-8	\$0	\$0 or More or less than \$714,856	\$0 or More or less than \$1,501,152	\$0 or More or less than \$4,344,540
<u>Income</u> – §173.2655 Award repayment for violation of conditions p.6-8	\$0	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Income</u> – §173.2655 Gifts, donations, bequests p.6-8	\$0	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Transfer out</u> – §173.2655 Distributions of tuition awards from Public Safety Recruitment and Retention Fund p.6-8	<u>\$0</u>	\$0 or More or less than (\$714,856)	\$0 or More or less than (\$1,501,152)	\$0 or More or less than (\$4,344,540)
ESTIMATED NET EFFECT ON PUBLIC SAFETY RECRUITMENT AND RETENTION FUND	<u>\$0</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>
COLLEGE & UNIVERSITY FUNDS				
<u>Income</u> – §173.2655 Tuition awards from Public Safety Recruitment and Retention Fund p.6-8	\$0	\$0 or More or less than \$714,856	\$0 or More or less than \$1,501,152	\$0 or More or less than \$4,344,540

<u>Costs</u> – §§172.280 & 174.160 Increased administrative costs p.4-5	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<u>Loss</u> – §§41.890 and 173.1153 Reduction in tuition and fees received by colleges and universities p. 4	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<u>Costs</u> – §172.345 Increased administrative costs p.5	(\$5,500,000)	(\$5,500,000)	(\$5,500,000)	(\$5,500,000)
ESTIMATED NET EFFECT ON COLLEGE & UNIVERSITY FUNDS	More or less than <u>(\$5,500,000)</u>	More or less than <u>(\$4,785,144)</u>	More or less than <u>(\$3,998,848)</u>	More or less than <u>(\$1,155,460)</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028	Fully Implemented (FY 2031)
	<u>\$0</u>	<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

TUITION FOR MILITARY PERSONNEL (Sections 41.890 and 173.1153)

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.

STATEWIDE ACTIVITIES ASSOCIATION REQUIREMENTS (Section 160.701).

This language prohibits a statewide activities association from requiring an active-duty member of the US uniformed services, National Guard, or Reserves from meeting a minimum number of practices in order for such individual to be a member of a team or group.

DEGREES OFFERED BY UNIVERSITIES (Sections 172.280 and 174.160).

Currently only the University of Missouri can offer research doctorates, Doctor of Philosophy degrees or specific first professional degrees. This bill allows Missouri State University to have the power to grant philosophy degrees in disciplines other than engineering and a bachelor of science degree in veterinary technology.

VETERANS DAY (Section 172.345).

This bill provides that Veterans Day will be a public holiday for all employees of the University of Missouri System.

THE UNIVERSITY OF MISSOURI'S SEMINARY FUND (Sections 172.640, 172.650, 172.651, 172.660, 172.661, and 172.720).

This bill provides that the University of Missouri must enter into an agreement with the State Treasurer to establish a separate custodial account in which the moneys in the University's Seminary Fund must be deposited and held. The University must invest the moneys in government bonds as provided in current law, and can withdraw the earnings on such bonds and use any such withdrawals for the maintenance of the University, as provided in the bill. The University must provide financial reports on the custodial account to the State Treasurer annually.

The bill repeals provisions relating to the State Treasurer's current duties as custodian of the Seminary Fund.

COURSE CREDIT FOR INTERNATIONAL BACCALAUREATE EXAM (Section 173.1352).

This bill requires public institutions of higher education to adopt a policy for undergraduate course credit for any student who receives a score of four or higher on an International Baccalaureate exam.

PUBLIC SAFETY RECRUITMENT AND RETENTION ACT (Sections 173.2655 and 173.2660).

This bill establishes the "Public Safety Recruitment and Retention Act" to provide free college tuition for certain public safety personnel and their legal dependents. The bill defines "public safety personnel" as including any police officer, firefighter, paramedic, telecommunicator first responder, emergency medical technician, or advanced emergency medical technician who is trained and authorized by law or rule to render emergency medical assistance or treatment. Subject to appropriation, public safety personnel with at least six years of service shall be entitled to a waiver of 100% of the resident tuition charges of a public institution of higher education if they present to the Department of Higher Education and Workforce Development

(DHEWD) verification of their current, valid license in a profession specified in the Act, along with a certificate of verification signed by their employer verifying that they are employed full-time as public safety personnel. Such individuals must also meet all admission requirements of the public institution of higher education and pursue an associate or baccalaureate degree in an academic subject specified in the Act. Individuals who have already earned a baccalaureate degree are ineligible to use the tuition waiver to earn another degree. Each year an individual applies for and receives a tuition waiver, he or she must file with DHEWD documentation showing proof of employment and proof of residence in Missouri. Additionally, an applicant for a tuition waiver must first apply for all other forms of federal and state student financial aid and provide evidence of such to the public institution of higher education.

The legal dependent of public safety personnel with at least ten years of service is also eligible for a tuition waiver if he or she executes an agreement with the public institution of higher education 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 to provide a copy of his or her state income tax return annually to DHEWD in order to prove residency in Missouri. The agreement must 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 must repay the public institution of higher education the amount of tuition that was waived. Any repayment received will be remitted by the institution to DHEWD in full or deducted from future reimbursements to the institution from the Public Safety Recruitment and Retention Fund created in the bill, as determined in accordance with rules promulgated by DHEWD. Finally, the agreement must provide that any residency, filing, or payment obligation incurred by the tuition waiver recipient under the bill is canceled in the event of the tuition waiver recipient's total and permanent disability or death.

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:

- (1) Completes the five-year tuition waiver eligibility period;
- (2) Completes a baccalaureate degree;
- (3) 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
- (4) Notifies DHEWD that he or she does not plan to use additional tuition waivers. The legal dependent must satisfy certain other criteria to be eligible for a tuition waiver. The legal dependent must not have previously earned a baccalaureate degree, and he or she must meet all admission requirements of the public institution of higher education he or she wishes to attend. The legal dependent must also complete and submit a Free Application for Federal Student Aid and provide verification of the public safety personnel's eligibility for the tuition waiver to the public institution of higher education, as provided in the bill.

Public safety personnel and their legal dependents may receive a tuition waiver for up to five consecutive years if they otherwise continue to be eligible. The five years of eligibility starts once the public safety personnel or legal dependent applies for and receives the tuition waiver for the first time. A public institution of higher education must waive 100% of the individual's tuition remaining due after subtracting awarded federal financial aid grants and state scholarships and grants. An application for a tuition waiver must include a verification of the public safety personnel's satisfaction of the requirements of the Act, including proof of full-time employment and residency status. Public safety personnel must include this verification when they or their legal dependents are applying to a public institution of higher education in order to obtain a tuition waiver upon initial enrollment.

The death of public safety personnel in the line of duty does not disqualify an individual's otherwise eligible legal dependent from receiving the tuition waiver. In such a case, in lieu of submitting verification of the public safety personnel's employment, the legal dependent must submit a statement attesting that, at the time of death, the public safety personnel satisfied the requirements of the bill, and the individual died in the line of duty, as specified in the bill.

No later than March 1st, annually, the public institution of higher education must send written notice of the applicant's eligibility or ineligibility for the tuition waiver and state whether the application has been approved or denied. If the applicant is determined not to be eligible for the tuition waiver, the notice must include the reason or reasons for the determination. If the application is denied, the notice must include the reason or reasons for the denial.

The Public Safety Recruitment and Retention Fund is created for purposes of reimbursing public institutions of higher education for awarding the tuition waivers. In the event that funds are insufficient to provide tuition waivers for all eligible applicants, public safety personnel will be in the first class of applicants to receive the waivers, and dependents will be in the second class, in a priority order as specified in the bill.

The tuition waivers provided for in this bill are subject to appropriation. If there are no moneys in the Fund, no tuition waivers can be awarded.

IMMERSIVE LEARNING (Section 174.231).

This bill adds health and life sciences and immersive learning experiences to the mission of Missouri Southern State University.

MISSOURI STATE LOAN REPAYMENT PROGRAM (Sections 191.600, 191.603, 191.605, 191.607, 191.611, 191.614, and 191.615)

This bill modifies provisions relating to the existing "Health Professional Student Loan Repayment Program" by renaming it to the "Missouri State Loan Repayment Program (MOSLRP)" and expanding the program to include those who have graduated from an accredited

graduate training program in a discipline designated by the Department of Health and Senior Services.

Current law requires, in order to be eligible to participate in the program, that a person is enrolled as either a full-time medical student, dental student, or chiropractic student, and is in the final year of course study, or that a person is licensed to practice in these fields. This provision and the designation for an area in need of chiropractic services are repealed and replaced with the requirements that the person is authorized to practice as any type of health professional and is going to practice in an area of defined need.

The bill requires that 35% of the annual appropriated funds that are allocated to this loan repayment program must be designated for awards to primary care physicians and general dentists, and unused portions of those designated funds will be made available in the same fiscal year to the other types of health professions designated by the Department. Current law establishes liability to the State for individuals who have entered into written contracts with the Department and who either fail to maintain an acceptable level of academic standing, who voluntarily terminate enrollment, or who are dismissed from the institution; these persons are liable to the State for the amount that has been paid on their behalf under the contract. This bill repeals that provision.

BOOTS-TO-BUSINESS (Section 620.3250).

Current law requires any veteran who receives a small business loan through the State Treasurer's linked deposit program to complete a boots-to-business program approved by the Department of Economic Development. This bill makes participation in the program optional.

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
Northwest Missouri State University
University of Central Missouri
Southeast Missouri State University
Office of Administration – Budget and Planning
Department of Economic Development
Department of Revenue
Department of Public Safety – Director's Office
Department of Public Safety – Veterans Commission
Office of the Secretary of State
Office of the State Treasurer

L.R. No. 0410S.04T

Bill No. Truly Agreed to and Finally Passed SS No. 2 for HB 419

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June 27, 2025

Joint Committee on Administrative Rules
Attorney General's Office
Department of Health and Senior Services

A handwritten signature in black ink that reads "Julie Morff". The signature is written in a cursive, flowing style.

Julie Morff
Director
June 27, 2025

A handwritten signature in black ink that reads "Jessica Harris". The signature is written in a cursive, flowing style.

Jessica Harris
Assistant Director
June 27, 2025