

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 3073H.02I  
 Bill No.: HB 1525  
 Subject: Higher Education; Department of Higher Education and Workforce Development;  
 Emergencies; Medical Procedures and Personnel  
 Type: Original  
 Date: March 10, 2025

Bill Summary: This proposal creates the "Public Safety Recruitment and Retention Act" to provide free college tuition for public safety personnel.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
General Revenue*	(\$221,673)	More or less than (\$3,271,356)	More or less than (\$3,410,274)
<b>Total Estimated Net Effect on General Revenue</b>	<b>(\$221,673)</b>	<b>More or less than (\$3,271,356)</b>	<b>More or less than (\$3,410,274)</b>

\* **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.

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Public Safety Recruitment and Retention Fund	\$0	\$0 to Unknown	\$0 to Unknown
College & University	\$0	\$0 or More or less than \$3,138,180	\$0 or More or less than \$3,295,089
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0 or More or less than \$3,138,180</b>	<b>\$0 or More or less than \$3,295,089</b>

Numbers within parentheses: () indicate costs or losses.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>FY 2028</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 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>
General Revenue	1 FTE	1 FTE	1 FTE
<b>Total Estimated Net Effect on FTE</b>	<b>1 FTE</b>	<b>1 FTE</b>	<b>1 FTE</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 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0 or More or less than \$3,138,180</b>	<b>\$0 or More or less than \$3,295,089</b>

## FISCAL ANALYSIS

### ASSUMPTION

#### §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.

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 percent with eligible service \* 47.5 percent below a bachelor’s degree \* 3 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 percent with 10 years of service \* 53 percent that are married \* 68 percent below a bachelor’s degree \* three percent utilization). Further, Pew Research estimates that 19 percent of families have children, and the average family size is 1.9 children. 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 **91 eligible children** (29,050 \* 19 percent with 10 years of service \* 19 percent with children \* 1.9 children \* 9.5 percent of college going age \* 80 percent staying in-state \* 60 percent attending a public college or university).

This results in **334 individuals eligible for the award**. If they assume that roughly 32 percent attend community colleges (where tuition and fees average \$5,140 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), they get a total of \$3.13 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.

While ITSD has yet to review and provide a fiscal impact, the department believes, based on estimates from standing up a similar program, that the costs would be \$147,420 in FY 2026, \$30,221 in FY 2027 and \$30,977 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-times 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% / 111	\$1,043,333
2% / 222	\$2,086,667
<b>3% / 334</b>	<b>\$3,138,180</b>
6% / 518	\$6,260,000
9% / 640	\$9,390,000
12% / 883	\$12,520,000

Officials from the **University of Central Missouri (UCM)** assume there will be an indeterminate fiscal impact but likely increase in revenue.

In response to similar legislation, SCS for SB 71 (2025), officials from the **University of Missouri System (UM)** 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.

In response to similar legislation SCS for SB 71 (2025), officials from **Northwest Missouri State University** assumed 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.

**Oversight** assumes this award could act as an incentive for students to attend college and community colleges. However, it is unclear how many students would have already been college bound and what percentage would attend only due to this new incentive. Therefore, Oversight assumes there could be an increase in student enrollment which would result in an increase in revenue to the colleges and community colleges for \$0 to Unknown.

Section 173.2660 - provisions for "Public Safety Recruitment and Retention Act"

Officials from the **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 a 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 a 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.

Bill as Whole

Officials from **DHEWD** estimate 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 \$3.25 million. Assuming an annual inflationary increase of five percent per year, the costs for FY 2028 would range from zero to \$3.41 million.

Officials from **Office of Budget and Planning** assume this proposal 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 is subject to appropriation. There is no direct impact on Total State Revenues.

Officials from the **Department of Public Safety – Directors Office (DPS-DO)** 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 Corrections (DOC)** assume per 67.145 of RMSo the definition of first responder does not include DOC.

Officials from the **Missouri Highway Patrol, Department of Commerce and Insurance, Office of the State Treasurer, Branson Police Department, Department of Health and Senior Services, University of Missouri System, Phelps County Sheriff's 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.

In response to similar legislation SCS for SB 71 (2025), officials from **Kansas City Police Department** each assumed the proposal will have no fiscal impact on their organization.

**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
<b>GENERAL REVENUE</b>			
<u>Costs – DHEWD– Loan servicing - §173.2660 p.5</u>	\$0	(\$20,000)	\$0 or (Unknown)
<u>Costs – DHEWD/ITSD – FAMOUS changes/updates - §173.2655 p.4</u>	(\$147,420)	(\$30,221)	(\$30,977)
<u>Costs – DHEWD (§173.2655) p.4</u>			
Personnel Service	(\$36,550)	(\$44,737)	(\$45,632)
Fringe Benefits	(\$27,809)	(\$33,723)	(\$34,081)
Expense & Equipment	(\$5,399)	\$0	\$0
ITSD ongoing costs	(\$4,495)	(\$4,495)	(\$4,495)
<u>Total Costs – DHEWD (§173.2655) p.4</u>	<u>(\$74,253)</u>	<u>(\$82,955)</u>	<u>(\$84,208)</u>
FTE Change	1 FTE	1 FTE	1 FTE
<u>Transfer out – DHEWD - Public Safety Recruitment and Retention Fund (§173.2655) p.5</u>	\$0	\$0 or More or less than (\$3,138,180)	\$0 or More or less than (\$3,295,089)
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<b><u>(\$221,673)</u></b>	<b><u>More or less than (\$3,271,356)</u></b>	<b><u>More or less than (\$3,410,274)</u></b>
Estimated Net FTE Change on General Revenue	1 FTE	1 FTE	1 FTE
<b>PUBLIC SAFETY RECRUITMENT AND RETENTION FUND</b>			
<u>Transfer in – from General Revenue to Public Safety Recruitment and Retention Fund (§173.2655) p.5</u>	\$0	\$0 or More or less than \$3,138,180	\$0 or More or less than \$3,295,089
<u>Income – Award repayment for violation of conditions - (§173.2655) p.5</u>	\$0	\$0 to Unknown	\$0 to Unknown

<u>FISCAL IMPACT – State Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
<u>Transfer out – Distributions of tuition awards from Public Safety Recruitment and Retention Fund (§173.2655) p.5</u>	\$0	\$0 or More or less than (\$3,138,180)	\$0 or More or less than (\$3,295,089)
<b>ESTIMATEDE NET EFFECT ON PUBLIC SAFETY RECRUITMENT AND RETENTION FUND</b>	<b><u>\$0</u></b>	<b><u>\$0 to Unknown</u></b>	<b><u>\$0 to Unknown</u></b>
<b>COLLEGE AND UNIVERSITIES</b>			
<u>Income – Tuitions awards from Public Safety Recruitment and Retention Fund (§173.2655) p.5</u>	\$0	\$0 or More or less than \$3,138,180	\$0 or More or less than \$3,295,089
<b>ESTIMATED NET EFFECT ON COLLEGE AND UNIVERSITIES</b>	<b><u>\$0</u></b>	<b><u>\$0 or More or less than \$3,138,180</u></b>	<b><u>\$0 or More or less than \$3,295,089</u></b>

<u>FISCAL IMPACT – Local Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
<b>LOCAL POLITICAL SUBDIVISIONS</b>			
<u>Income - Tuitions awards from Public Safety Recruitment and Retention Fund (§173.2655) p.4-5</u>	\$0	\$0 or More or less than \$3,138,180	\$0 or More or less than \$3,295,089
<b>ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS</b>	<b><u>\$0</u></b>	<b><u>\$0 or More or less than \$3,138,180</u></b>	<b><u>\$0 or More or less than \$3,295,089</u></b>

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 "Public Safety Recruitment and Retention Act" to provide free college tuition for certain public safety personnel and their legal dependents. The act defines "public safety personnel" as including any police officer, firefighter, paramedic, emergency medical dispatcher, 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 award 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 shall 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 award to earn another degree. Each year an individual applies for and receives a tuition award, he or she shall file with DHEWD documentation showing proof of employment and proof of residence in Missouri. Additionally, an applicant for a tuition award shall 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. (Section 173.2655)

The legal dependent of public safety personnel with at least ten years of service is also eligible for a tuition award if he or she executes an agreement with the public institution of higher education outlining the terms and conditions of the tuition award, 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 residency in Missouri. The agreement shall also include a provision that if the tuition award recipient fails to provide proof of residency in Missouri for the five-year period following the use of the tuition award, he or she shall repay the DHEWD the amount of tuition that was awarded. Any such repayment received shall 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 act, as determined in accordance with rules promulgated by DHEWD. Finally, the agreement shall provide that any residency, filing, or payment obligation incurred by the tuition award recipient under the act is canceled in the event of the tuition award recipient's total and permanent disability or death.

The five-year residency requirement for a legal dependent who receives a tuition award begins once the legal dependent applies for and receives the tuition award and continues until the tuition award recipient (a) completes the five-year tuition award 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 awards, or (d) notifies DHEWD that he or she does not plan to use additional tuition awards.

The legal dependent shall satisfy certain other criteria to be eligible for a tuition award. 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 public safety personnel's eligibility for the tuition award to the public institution of higher education, as provided in the act. (Sections 173.2655 and 173.2660)

Public safety personnel and their legal dependents may receive a tuition award 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 award for the first time. The DHEWD shall award up to 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 award shall 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 shall include such verification when they or their legal dependents are applying to a public institution of higher education in order to obtain a tuition award upon initial enrollment.

The death of public safety personnel in the line of duty shall not disqualify an individual's otherwise eligible legal dependent from receiving the tuition award. In such a case, in lieu of submitting verification of the public safety personnel's employment, the legal dependent shall submit a statement attesting that, at the time of death, the public safety personnel satisfied the requirements of the act, and such individual died in the line of duty, as described in the act. A public institution of higher education shall provide a tuition award to an eligible applicant for the award who applies for an "open seat", defined in the act as a vacant position in a class, course, or program that is available for enrollment. An institution shall not be required to create additional seats exceeding program capacity in order to provide tuition awards.

Within forty-five days after receipt of a completed application for a tuition award, the public institution of higher education shall send written notice of the applicant's eligibility or ineligibility for the tuition award and state whether the application has been approved or denied. If the applicant is determined not to be eligible for the tuition award, the notice shall include the reason or reasons for such determination. If the application is denied, the notice shall 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 awards. In the event that funds are insufficient to provide tuition awards for all eligible applicants, public safety personnel shall be in the first class of applicants to receive the awards, and dependents shall be in the second class, in a priority order specified in the act.

The tuition awards provided for in this act are subject to appropriation. If there are no moneys in the Fund, no tuition awards shall be awarded. (Section 173.2655)

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  
Office of the State Treasurer  
Southeast Missouri State University  
Northwest 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  
Branson Police Department



Julie Morff  
Director  
March 10, 2025



Jessica Harris  
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March 10, 2025