

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4747H.02C
 Bill No.: HCS for HB 2151
 Subject: Higher Education; Department of Higher Education and Workforce Development
 Type: Original
 Date: March 5, 2026

Bill Summary: This proposal modifies provisions governing the "Fast Track Workforce Incentive Grant".

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND

FUND AFFECTED	FY 2027	FY 2028	FY 2029
General Revenue*	\$0 or (\$940,500)	\$0 or (\$987,468)	\$0 or (\$1,036,901)
Total Estimated Net Effect on General Revenue	\$0 or (\$940,500)	\$0 or (\$987,468)	\$0 or (\$1,036,901)

*The Fast Track Grant is subject to appropriation. If changes to the program are not funded, the impact will be \$0.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Fast Track Workforce Incentive Grant*	\$0	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

*Increase in appropriations transferred-in and grants provided net to \$0.
 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	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

§173.2553 – Fast Track Workforce Incentive Grant

Officials from the **Department of Higher Education and Workforce Development (DHEWD)** state that currently, the income thresholds for Fast Track participants are set at \$80,000 adjusted gross income (AGI) for those married filing jointly, and \$40,000 for those in all other tax filing statuses. This legislation would increase that income threshold to \$100,000 AGI for those married filing jointly and \$50,000 for all other filing statuses, which the department assumes will go into effect August 28, 2026, if passed and signed into law.

While information on income based on tax filing status is difficult to find, data from Statistical Atlas (<https://statisticalatlas.com/state/Missouri/Household-Income#overview>) indicates that approximately 69.1 percent of Missouri households have an income of \$75,000 or less, and that 81.1 percent have a household income of \$100,000 or less, which is a difference of 12 percentage points. Because these data do not include tax filing status, it is difficult to estimate the impact of the change from \$40,000 to \$50,000 for those not married or filing jointly, and the department believes those individuals are included, though likely undercounted, in the 12 percentage point change.

The department currently estimates there will be 1,900 Fast Track recipients in FY 2027. Adding 12 percent to this base, as a result of raising the income thresholds, would increase the number of recipients by 228 students. The estimated Fast Track award for FY 2027 is \$4,125. The department estimates the fiscal impact for FY 2027 to be approximately \$940,500.

While these are conservative estimates and likely underestimates the total change because it is not possible to accurately estimate the cost of the AGI threshold change from \$40,000 to \$50,000, the department estimates the fiscal impact for FY 2027 to be between zero and \$940,500. Assuming an annual tuition and fee increase of five percent per year, the fiscal impact for FY 2028 would range from zero to \$987,468 and for FY 2029 would range from zero to \$1,036,901.

An additional note to these estimates. Because Fast Track is still a new program, the department believes there is still the potential for a large amount of growth. These estimates only take into consideration the impact of the changes due to this legislation, and most likely underestimate the changes that may occur due to overall large program growth.

Oversight notes, as shown in DHEWD's 2027 Budget Request, the Fast Track Workforce Incentive Grant was Implemented in FY 2020, this need-based program addresses workforce needs by encouraging adults who have not yet received a bachelor's degree to complete a certificate, degree, or industry-recognized credential in an area designated by the Coordinating Board for Higher Education as high need. Amendments to the program in 2022 increased the

number of eligible training providers, expanded the grant to apprenticeships, and removed the loan-related requirements. For students, the award is based on remaining tuition and fees after all non-loan governmental sources of funding have been applied. If all tuition and fee costs are covered by other aid, the award is the lesser of \$500 or the student's remaining cost of attendance. For apprentices the award is based on the amount of related educational costs. Need is based on the individual's adjusted gross income.

Oversight has no information to the contrary. Therefore, Oversight will present the fiscal impact of this proposal as provided by DHEWD. Oversight notes the Fast Track Incentive Grant is subject to appropriations and will present costs to General Revenue and the corresponding transfer to the Fast Track Workforce Incentive Grant Fund as \$0 or the amount provided by DHEWD. Oversight further assumes transfers-in and grants provided will net to \$0.

Officials from the **University of Central Missouri (UCM)** stated that there would be an indeterminate impact on revenue at UCM.

Officials from the **University of Missouri** assumed the proposal will have no fiscal impact on their organization.

Officials from the **Northwest Missouri State University** assumed the proposal would have no fiscal impact on their organization.

In response to similar legislation, HB 2278 (2024), officials from **Missouri State University** assumed the proposal would have no fiscal impact on their organization.

Oversight does not anticipate a direct fiscal impact to colleges and universities. Therefore, Oversight will reflect a zero impact in the fiscal note.

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, other Colleges, Universities, and Community Colleges were requested to respond to this proposed legislation but did not. Upon receiving additional responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval to publish a new fiscal note. A general listing of political subdivisions included in our database is available upon request.

<u>FISCAL IMPACT – State Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
GENERAL REVENUE			
<u>Transfer-out – to Fast Track Workforce Incentive Grant Fund – DHEWD (§173.2553) Increase in number of grant recipients due to increase in AGI thresholds p.3</u>	\$0 or <u>(\$940,500)</u>	\$0 or <u>(\$987,468)</u>	\$0 or <u>(\$1,036,901)</u>
ESTIMATED NET EFFECT ON THE GENERAL REVENUE	\$0 or <u>(\$940,500)</u>	\$0 or <u>(\$987,468)</u>	\$0 or <u>(\$1,036,901)</u>
FAST TRACK WORKFORCE INCENTIVE GRANT FUND			
<u>Transfer-in – from General Revenue Fund (§173.2553) Increase in grants provided to qualifying recipients p.3</u>	\$0 or \$940,500	\$0 or \$987,468	\$0 or \$1,036,901
<u>Cost – DHEWD (§173.2553) Increase in grants to students p.3-4</u>	\$0 or <u>(\$940,500)</u>	\$0 or <u>(\$987,468)</u>	\$0 or <u>(\$1,036,901)</u>
ESTIMATED NET EFFECT ON THE FAST TRACK WORKFORCE INCENTIVE GRANT FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT – Small Business

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

FISCAL DESCRIPTION

Beginning January 1, 2027, this bill increases the maximum gross income for eligibility for the Fast Track Workforce Incentive Grant from \$80,000 to \$100,000 for taxpayers who are married

filing jointly and from \$40,000 to \$50,000 for all other taxpayers.

The bill also modifies the definition of "eligible training provider" to ensure that any training organization has been in continuous legal operation in Missouri for at least one year.

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
University of Missouri
Northwest Missouri State University
University Of Central Missouri
Missouri State University



Julie Morff
Director
March 5, 2026



Jessica Harris
Assistant Director
March 5, 2026