

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 7408H.011
 Bill No.: HB 3480
 Subject: Higher Education; Emergencies; Fire Protection
 Type: Original
 Date: April 20, 2026

Bill Summary: This proposal modifies provisions relating to eligibility of firefighters for a program that provides free college tuition for public safety personnel.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND

FUND AFFECTED	FY 2027	FY 2028	FY 2029
General Revenue**/*	(\$95,422)	\$0 or (More or less than \$3,808,689)	\$0 or (More or less than \$4,284,975)
Total Estimated Net Effect on General Revenue	(\$95,422)	\$0 or (More or less than \$3,808,689)	\$0 or (More or less than \$4,284,975)

***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 1 FTE and grants to cover the cost of tuition and fees at Missouri public postsecondary institutions for volunteer firefighters.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Public Safety Recruitment and Retention Fund (1467)*	\$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
General Revenue	1 FTE	1 FTE	1 FTE
Total Estimated Net Effect on 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 2027	FY 2028	FY 2029
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

§173.2655 – Modification of the "Public Safety Recruitment and Retention Act"

Officials from the **Department of Higher Education and Workforce Development (DHEWD)** state that this legislation amends section 173.2655, known as the “Public Safety Recruitment and Retention Act,” by including volunteer firefighters. The Public Safety Recruitment & Retention scholarship covers the cost of tuition and fees for qualifying public safety personnel at Missouri 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 that agree to the provisions of the program statute.

While the exact number of volunteer firefighters in the state is difficult to come by, estimates are that roughly 70% of the firefighters in the state are volunteer, which results in 18,567 statewide on volunteer rolls.

Although the legislation limits this award to those with at least six years of service, the best available data, from Zippia.com, indicates that 44 percent of public safety personnel 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 (which is the enrollment rate for adult students over the age of 25), the department estimates that 117 additional individuals would be eligible ($18,567 * 44.2$ percent with eligible service * 47.5 percent below a bachelor’s degree * 3 percent utilization).

Additionally, this allows the dependents of public safety personnel, who have at least 10 years of service (19 percent), to receive this grant, which would include children (who qualify as dependents on the FAFSA). Further, there are an estimated 1.4 children per household, of which roughly 9.5 percent are 18-24, of which 80 percent will stay in state and 60 percent will attend a participating postsecondary institution, resulting in 225 eligible children ($18,567 * 19$ percent with 10 years of service * 1.4 dependents * 9.5 percent of college going age * 80 percent staying in-state * 60 percent attending a participating college or university).

This results in 342 additional individuals eligible for the award. If they assume that roughly 32 percent attend community colleges (where tuition and fees are estimated to average \$5,860 a year for full-time students during the 2027-28 academic year) and 68 percent attend a public four-year institution (where tuition and fees are estimated to average \$13,120 a year for full-time students in 2027-28), they get a total cost to fund these additional students of \$3.7 million. Because these individuals have been working in their positions at least six years, the department does not believe they would likely be Pell or Fast Track eligible, and only a negligible amount would be eligible to receive a small Access Missouri award.

Because of these additional applicants, the department will require an additional FTE at the

Program Specialist salary level (\$61,531.51). This will also include equipment (\$1,782.39), a second monitor (\$161.20), ongoing ITSD expenses (\$3,477.98), and training, supplies, and annual E&E (\$5,000).

The department estimates that the fiscal impact for FY 2027 will be the FTE (since applications for FY 2028 are submitted and reviewed in FY 2027) and will be between 0 and \$94,521. The department estimates the changes to award amounts in FY 2028 and estimates the fiscal impact to be between zero and \$3,808,689. Assuming an annual inflationary increase of five percent per year, and an increase in participation of 7.5 percent, the costs for FY 2029 would range from zero to \$4,284,976.

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.

FY 2028

Utilization Percentage	Eligible Individuals	Cost
1%	264	\$2,853,840
2%	303	\$3,271,140
3%	342	\$3,695,700
6%	459	\$4,954,860
9%	576	\$6,221,280
12%	693	\$7,480,440

FY 2029

Utilization Percentage	Eligible Individuals	Cost
1%	284	\$ 3,218,691
2%	326	\$ 3,698,184
3%	368	\$ 4,170,054
6%	494	\$ 5,587,134
9%	619	\$ 7,017,990
12%	745	\$ 8,448,846

Oversight notes that the Public Safety Recruitment and Retention Act is subject to appropriations and will present costs to General Revenue and the corresponding transfer to the Public Safety Recruitment and Retention Fund (1467) as \$0 or More or less than \$3,695,700 for FY 2028 and \$0 or More or less than \$4,170,054 in FY 2029 along with the FTE requested by the DHEWD. Oversight further assumes transfer-ins and grants provided will net to \$0.

Officials from the **University of Missouri System (UM)** state that if the program was awarded through appropriations, then there would be no financial impact.

Officials from the **Northwest Missouri State University (NMSU)** assume that the proposed legislation could have a negative public relations impact if funds are not appropriated as those who qualify do not typically understand that the benefit is only available if appropriated funds are awarded.

Officials from the **University of Central Missouri (UCMO)** state that there could be an indeterminate fiscal impact.

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. Oversight assumes this would be an induced effect and will not reflect an impact on public universities and community colleges.

Officials from the **Department of Public Safety – Fire Safety, Department of Public Safety - Office of the Director, City of Kansas City, and Kearney Fire & Rescue Protection District** 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.

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, other local entities 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 the Public Safety Recruitment and Retention Fund (1467) DHEWD (§173.2655) – Expansion to include to include volunteer firefighters. p.3-4</u>	\$0	\$0 or (More or less than \$3,695,700)	\$0 or (More or less than \$4,170,054)
<u>Cost – DHEWD (§173.2655) p.3-4</u>			
Personal Service	(\$51,276)	(\$62,762)	(\$64,017)
Fringe Benefits	(\$34,237)	(\$41,579)	(\$42,084)
Equipment and Expense	(\$9,009)	(\$8,648)	(\$8,820)
Total Costs – DHEWD	(\$94,522)	(\$112,989)	(\$114,921)
FTE Change – DHEWD	1 FTE	1 FTE	1 FTE
ESTIMATED NET EFFECT ON GENERAL REVENUE	(\$95,422)	\$0 or (More or less than \$3,808,689)	\$0 or (More or less than \$4,284,975)
Estimated Net FTE Change to General Revenue	1 FTE	1 FTE	1 FTE
PUBLIC SAFETY RECRUITMENT AND RETENTION FUND (1467)			
<u>Transfer In – From General Revenue (§173.2655) – Expansion to include to include volunteer firefighters. p.3-4</u>	\$0	\$0 or More or less than \$3,695,700	\$0 or More or less than \$4,170,054
<u>Transfer out – Distributions of tuition awards from Public Safety Recruitment and Retention Fund (§173.2655) p.3-4</u>	\$0	\$0 or (More or less than \$3,695,700)	\$0 or (More or less than \$4,170,054)
TOTAL ESTIMATED NET EFFECT ON THE PUBLIC SAFETY RECRUITMENT AND RETENTION FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

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

FISCAL IMPACT – Small Business

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

FISCAL DESCRIPTION

This bill modifies the definition of "firefighter" for the purposes of the Public Safety Retention and Recruitment Act by removing the exclusion of "volunteer firefighters" and adds an exemption from proof of employment for volunteer firefighters that are carried on the rolls of the fire department.

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
Department of Public Safety
 Fire Safety
 Office of the Director
City of Kansas City
Kearney Fire & Rescue Protection District
Northwest Missouri State University
University of Central Missouri
University of Missouri System



Julie Morff
Director
April 20, 2026



Jessica Harris
Assistant Director
April 20, 2026