

SECOND REGULAR SESSION

SENATE BILL NO. 492

97TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR PEARCE.

Pre-filed December 1, 2013, and ordered printed.

TERRY L. SPIELER, Secretary.

4393S.03I

AN ACT

To amend chapter 163, RSMo, by adding thereto one new section relating to state funding for public institutions of higher education.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Chapter 163, RSMo, is amended by adding thereto one new
2 section, to be known as section 163.192, to read as follows:

**163.192. 1. Each public four-year institution of higher education
2 shall annually prepare an institutional budget request and submit it to
3 the department of higher education. The department of higher
4 education shall specify a date by which each public four-year
5 institution of higher education shall submit its institutional budget
6 request. The department of higher education shall review all
7 institutional budget requests and prepare appropriation
8 recommendations annually for the public four-year institutions of
9 higher education. The department's budget submission shall include a
10 recommended level of funding for each public four-year institution of
11 higher education.**

**12 2. The appropriation of state funding to public four-year
13 institutions of higher education shall be in accordance with the
14 university resource allocation model, subject to the parameters set
15 forth in subsection 3 of this section. This model shall be developed and
16 revised, as appropriate, cooperatively by the public four-year
17 institutions of higher education and the department of higher
18 education. The department of higher education shall recommend the
19 model to the coordinating board for higher education for its
20 approval. The core funding level for each public four-year institution
21 of higher education shall initially be the appropriated amount for each**

22 institution for fiscal year 2015. This amount shall be adjusted annually
23 in accordance with the university resource allocation model starting in
24 fiscal year 2016. The department of higher education shall be
25 responsible for evaluating the effectiveness of the university resource
26 allocation model and shall submit a report to the joint committee on
27 education, the speaker of the house of representatives, and the
28 president pro tempore of the senate by November 1, 2019, and every
29 four years thereafter.

30 3. The university resource allocation model shall require that ten
31 percent of each public four-year institution of higher education's
32 annual appropriation be distributed in the following manner:

33 (1) Of this ten percent, at least ninety percent shall be
34 distributed in accordance with the institutional performance funding
35 measures adopted under subsection 4 of this section; and

36 (2) Of this ten percent, no more than ten percent shall be
37 distributed to address inequitable state funding determined on a per
38 student basis, as determined by calculating full-time equivalency, or
39 otherwise, except to the extent such inequities are part of the
40 performance funding measures adopted pursuant to subsection 4 of this
41 section; and

42 (3) Of this ten percent, no more than ten percent shall be
43 distributed to address inequitable state funding determined on a per
44 credit hour basis, as determined by weighting credit hours to reflect
45 program offerings and institutional missions, or otherwise, except to
46 the extent such inequities are part of the performance funding
47 measures adopted pursuant to subsection 4 of this section.

48 4. By August 28, 2014, the coordinating board for higher
49 education shall develop and adopt institutional performance measures
50 for each public four-year institution of higher education, in
51 collaboration with the institutions and the joint committee on
52 education, that shall be used for purposes of this section. Five
53 institutional performance measures shall be adopted for each
54 institution. Institutional performance measures shall include but need
55 not be limited to measuring student retention and graduation
56 rates. The coordinating board shall evaluate, and if necessary, revise
57 the institutional performance measures every three years, or more
58 frequently, at the coordinating board's discretion.

59 **5. The coordinating board for higher education shall promulgate**
60 **the institutional performance measures as administrative rules. Any**
61 **rule or portion of a rule, as that term is defined in section 536.010 that**
62 **is created under the authority delegated in this section shall become**
63 **effective only if it complies with and is subject to all of the provisions**
64 **of chapter 536, and, if applicable, section 536.028. This section and**
65 **chapter 536 are nonseverable and if any of the powers vested with the**
66 **general assembly pursuant to chapter 536, to review, to delay the**
67 **effective date, or to disapprove and annul a rule are subsequently held**
68 **unconstitutional, then the grant of rulemaking authority and any rule**
69 **proposed or adopted after August 28, 2014, shall be invalid and void.**

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Bill

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