

FIRST REGULAR SESSION

SENATE BILL NO. 286

93RD GENERAL ASSEMBLY

INTRODUCED BY SENATOR NODLER.

Read 1st time February 3, 2005, and ordered printed.

TERRY L. SPIELER, Secretary.

1222S.02I

AN ACT

To repeal sections 173.005 and 173.616, RSMo, and to enact in lieu thereof two new sections relating to out-of-state public institutions of higher education.

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

Section A. Sections 173.005 and 173.616, RSMo, are repealed and two new sections enacted in lieu thereof, to be known as sections 173.005 and 173.616, to read as follows:

173.005. 1. There is hereby created a "Department of Higher Education", and the division of higher education of the department of education is abolished and all its powers, duties, functions, personnel and property are transferred as provided by the Reorganization Act of 1974, Appendix B, RSMo.

2. The commission on higher education is abolished and all its powers, duties, personnel and property are transferred by type I transfer to the "Coordinating Board for Higher Education", which is hereby created, and the coordinating board shall be the head of the department. The coordinating board shall consist of nine members appointed by the governor with the advice and consent of the senate, and not more than five of its members shall be of the same political party. None of the members shall be engaged professionally as an educator or educational administrator with a public or private institution of higher education at the time appointed or during his term. The other qualifications, terms and compensation of the coordinating board shall be the same as provided by law for the curators of the University of Missouri. The coordinating board may, in order to carry out the duties prescribed for it in subsections 1, 2, 3, 7, and 8 of this section, employ such professional, clerical and research personnel as may be necessary to assist it in performing those duties,

but this staff shall not, in any fiscal year, exceed twenty-five full-time equivalent employees regardless of the source of funding. In addition to all other powers, duties and functions transferred to it, the coordinating board for higher education shall have the following duties and responsibilities:

(1) The coordinating board for higher education shall have approval of proposed new degree programs to be offered by the state institutions of higher education;

(2) The coordinating board for higher education may promote and encourage the development of cooperative agreements between Missouri public four-year institutions of higher education which do not offer graduate degrees and Missouri public four-year institutions of higher education which do offer graduate degrees for the purpose of offering graduate degree programs on campuses of those public four-year institutions of higher education which do not otherwise offer graduate degrees. Such agreements shall identify the obligations and duties of the parties, including assignment of administrative responsibility. Any diploma awarded for graduate degrees under such a cooperative agreement shall include the names of both institutions inscribed thereon. Any cooperative agreement in place as of August 28, 2003, shall require no further approval from the coordinating board for higher education. Any costs incurred with respect to the administrative provisions of this subdivision may be paid from state funds allocated to the institution assigned the administrative authority for the program. The provisions of this subdivision shall not be construed to invalidate the provisions of subdivision (1) of this subsection;

(3) In consultation with the heads of the institutions of higher education affected and against a background of carefully collected data on enrollment, physical facilities, manpower needs, institutional missions, the coordinating board for higher education shall establish guidelines for appropriation requests by those institutions of higher education; however, other provisions of the Reorganization Act of 1974 notwithstanding, all funds shall be appropriated by the general assembly to the governing board of each public four-year institution of higher education which shall prepare expenditure budgets for the institution;

(4) No new state-supported senior colleges or residence centers shall be established except as provided by law and with approval of the coordinating board for higher education;

(5) The coordinating board for higher education shall establish admission guidelines consistent with institutional missions;

(6) The coordinating board shall establish policies and procedures for institutional decisions relating to the residence status of students;

(7) The coordinating board shall establish guidelines to promote and facilitate the transfer of students between institutions of higher education within the state;

(8) The coordinating board shall collect the necessary information and develop comparable data for all institutions of higher education in the state. The coordinating board shall use this information to delineate the areas of competence of each of these institutions and for any other purposes deemed appropriate by the coordinating board;

(9) Compliance with requests from the coordinating board for institutional information and the other powers, duties and responsibilities, herein assigned to the coordinating board, shall be a prerequisite to the receipt of any funds for which the coordinating board is responsible for administering; and

(10) If any institution of higher education in this state, public or private, willfully fails or refuses to follow any lawful guideline, policy or procedure established or prescribed by the coordinating board, or knowingly deviates from any such guideline, or knowingly acts without coordinating board approval where such approval is required, or willfully fails to comply with any other lawful order of the coordinating board, the coordinating board may, after a public hearing, withhold or direct to be withheld from that institution any funds the disbursement of which is subject to the control of the coordinating board, or may remove the approval of the institution as an "approved institution" within the meaning of section 173.205, but nothing in this section shall prevent any institution of higher education in this state from presenting additional budget requests or from explaining or further clarifying its budget requests to the governor or the general assembly.

(11) (a) As used in this subdivision, the term "out-of-state public institution of higher education" shall mean an educational institution located outside of Missouri that:

a. Is directly controlled or administered by a public agency or political subdivision;

b. Receives appropriations directly or indirectly from the general assembly of a state other than Missouri for operating expenses;

c. Provides a postsecondary course of instruction at least six months in length leading to or directly creditably toward a degree or

certificate;

d. Meets the standards for accreditation by an accrediting body recognized by the United States Department of Education or any successor agency;

e. Permits faculty members to select textbooks without influence or pressure by any religious or sectarian source.

(b) No later than December 31, 2005, the coordinating board shall promulgate rules regarding:

a. The board's approval process of proposed new degree programs and course offering by any out-of-state public institutions of higher education seeking to offer degree programs or course work within the state of Missouri; and

b. The board's approval process of degree programs and course offering by any out-of-state public institutions of higher education that, prior to July 01, 2006, were approved by the board to operate a school in compliance with the provisions of sections 173.600 to 173.618;

The rules shall ensure that, as of July 01, 2006, all out-of state public institutions seeking to offer courses within the state of Missouri are evaluated in a manner similar to Missouri public higher education institutions. Such out-of-state public institutions shall be held to standards no lower than the standards established by the board for Missouri institutions of higher education under this section. Beginning July 01, 2006, the board shall revoke all certificates of approval previously granted to out-of-state public institutions of higher education under sections 173.600 to 173.618. Any such schools wishing to continue operating within this state must be approved by the board under the rules promulgated under this subdivision. Any rule or portion of a rule, as that term is defined in section 536.010, RSMo, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536, RSMo, and, if applicable, section 536.028, RSMo. This section and chapter 536, RSMo, are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536, RSMo, to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2005, shall

be invalid and void.

3. The coordinating board shall meet at least four times annually with an advisory committee who shall be notified in advance of such meetings. The coordinating board shall have exclusive voting privileges. The advisory committee shall consist of thirty-two members, who shall be the president or other chief administrative officer of the University of Missouri; the chancellor of each campus of the University of Missouri; the president of each state-supported four-year college or university, including Harris-Stowe State College, Missouri Southern State University- Joplin, Missouri Western State College, and Lincoln University; the president of Linn State Technical College; the president or chancellor of each public community college district; and representatives of each of five accredited private institutions selected biennially, under the supervision of the coordinating board, by the presidents of all of the state's privately supported institutions; but always to include at least one representative from one privately supported junior college, one privately supported four-year college, and one privately supported university. The conferences shall enable the committee to advise the coordinating board of the views of the institutions on matters within the purview of the coordinating board.

4. The University of Missouri, Lincoln University, and all other state-governed colleges and universities, chapters 172, 174 and 175, RSMo, and others, are transferred by type III transfers to the department of higher education subject to the provisions of subsection 2 of this section.

5. The state historical society, chapter 183, RSMo, is transferred by type III transfer to the University of Missouri.

6. The state anatomical board, chapter 194, RSMo, is transferred by type II transfer to the department of higher education.

7. All the powers, duties and functions vested in the division of public schools and state board of education relating to community college state aid and the supervision, formation of districts and all matters otherwise related to the state's relations with community college districts and matters pertaining to community colleges in public school districts, chapters 163 and 178, RSMo, and others, are transferred to the coordinating board for higher education by type I transfer. Provided, however, that all responsibility for administering the federal-state programs of vocational-technical education, except for the 1202a post-secondary educational amendments of 1972 program, shall remain with the department of elementary and secondary education. The department of

elementary and secondary education and the coordinating board for higher education shall cooperate in developing the various plans for vocational-technical education; however, the ultimate responsibility will remain with the state board of education.

8. The administration of sections 163.171 and 163.181, RSMo, relating to teacher-training schools in cities, is transferred by type I transfer to the coordinating board for higher education.

9. All the powers, duties, functions, personnel and property of the state library and state library commission, chapter 181, RSMo, and others, are transferred by type I transfer to the coordinating board for higher education, and the state library commission is abolished. The coordinating board shall appoint a state librarian who shall administer the affairs of the state library under the supervision of the board.

10. All the powers, duties, functions, and properties of the state poultry experiment station, chapter 262, RSMo, are transferred by type I transfer to the University of Missouri, and the state poultry association and state poultry board are abolished. In the event the University of Missouri shall cease to use the real estate of the poultry experiment station for the purposes of research or shall declare the same surplus, all real estate shall revert to the governor of the state of Missouri and shall not be disposed of without legislative approval.

173.616. 1. The following schools, training programs, and courses of instruction shall be exempt from the provisions of sections 173.600 to 173.618:

(1) A public institution;

(2) Any college or university represented directly or indirectly on the advisory committee of the coordinating board for higher education as provided in subsection 3 of section 173.005;

(3) An institution that is certified by the board as an "approved private institution" under subdivision (2) of section 173.205;

(4) A not-for-profit religious school that is accredited by the American Association of Bible Colleges, the Association of Theological Schools in the United States and Canada, or a regional accrediting association, such as the North Central Association, which is recognized by the Council on Postsecondary Accreditation and the United States Department of Education;

(5) Beginning July 1, 2006, all out-of-state public institutions of higher education, as such term is defined in subdivision (11) of subsection 2 of section 173.005.

2. The coordinating board shall exempt the following schools, training programs and courses of instruction from the provisions of sections 173.600 to 173.618:

(1) A not-for-profit school owned, controlled and operated by a bona fide religious or denominational organization which offers no programs or degrees and grants no degrees or certificates other than those specifically designated as theological, bible, divinity or other religious designation;

(2) A not-for-profit school owned, controlled and operated by a bona fide eleemosynary organization which provides instruction with no financial charge to its students and at which no part of the instructional cost is defrayed by or through programs of governmental student financial aid, including grants and loans, provided directly to or for individual students;

(3) A school which offers instruction only in subject areas which are primarily for avocational or recreational purposes as distinct from courses to teach employable, marketable knowledge or skills, which does not advertise occupational objectives and which does not grant degrees;

(4) A course of instruction, study or training program sponsored by an employer for the training and preparation of its own employees;

(5) A course of study or instruction conducted by a trade, business or professional organization with a closed membership where participation in the course is limited to bona fide members of the trade, business or professional organization, or a course of instruction for persons in preparation for an examination given by a state board or commission where the state board or commission approves that course and school;

(6) A school or person whose clientele are primarily students aged sixteen or under.

3. A school which is otherwise licensed and approved under and pursuant to any other licensing law of this state shall be exempt from sections 173.600 to 173.618, but a state certificate of incorporation shall not constitute licensing for the purpose of sections 173.600 to 173.618.

4. Any school, training program or course of instruction exempted herein may elect by majority action of its governing body or by action of its director to apply for approval of the school, training program or course of instruction under the provisions of sections 173.600 to 173.618. Upon application to and approval by the coordinating board, such school training program or course of instruction may become exempt from the provisions of sections 173.600 to 173.618 at any

subsequent time, except the board shall not approve an application for exemption if the approved school is then in any status of noncompliance with certification standards and a reversion to exempt status shall not relieve the school of any liability for indemnification or any penalty for noncompliance with certification standards during the period of the school's approved status.

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