

SECOND REGULAR SESSION
HOUSE COMMITTEE SUBSTITUTE FOR
SENATE SUBSTITUTE FOR
SENATE COMMITTEE SUBSTITUTE FOR
SENATE BILL NO. 590
93RD GENERAL ASSEMBLY

Reported from the Committee on Higher Education April 19, 2006 with recommendation that House Committee Substitute for Senate Substitute for Senate Committee Substitute for Senate Bill No. 590 Do Pass. Referred to the Committee on Rules pursuant to Rule 25(26)(f).

STEPHEN S. DAVIS, Chief Clerk

3716L.07C

AN ACT

To repeal sections 161.032, 172.287, 173.005, 173.616, 174.450, 174.453, 174.500, and 178.870, RSMo, and to enact in lieu thereof fourteen new sections relating to higher education, with penalty provisions.

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

Section A. Sections 161.032, 172.287, 173.005, 173.616, 174.450, 174.453, 174.500, 2 and 178.870, RSMo, are repealed and fourteen new sections enacted in lieu thereof, to be known 3 as sections 160.730, 161.032, 172.287, 173.005, 173.125, 173.234, 173.270, 173.616, 174.450, 4 174.453, 174.500, 178.870, 1, and 2, to read as follows:

160.730. 1. Not less than twice each calendar year, the commissioner of higher 2 education, the chair of the coordinating board for higher education, the commissioner of 3 education, the president of the state board of education, and the director of the department 4 of economic development shall meet and discuss ways in which their respective 5 departments may collaborate to achieve the policy goals as outlined in this section.

6 2. In order to create a more efficient and effective education system that more 7 adequately prepares students for the challenges of entering the workforce, the persons and 8 agencies outlined in subsection 1 of this section shall be responsible for accomplishing the 9 following goals:

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

- 10 **(1) Studying the potential for a state-coordinated economic/educational policy that**
11 **addresses all levels of education;**
- 12 **(2) Determining where obstacles make state support of programs that cross**
13 **institutional or jurisdictional boundaries difficult and suggesting remedies;**
- 14 **(3) Creating programs that:**
- 15 **(a) Intervene at known critical transition points, such as middle school to high**
16 **school and the freshman year of college to help assure student success at the next level;**
- 17 **(b) Foster higher education faculty spending time in elementary and secondary**
18 **classrooms and private workplaces, and elementary and secondary faculty spending time**
19 **in general-education-level higher education courses and private workplaces, with**
20 **particular emphasis on secondary school faculty working with general-education higher**
21 **education faculty;**
- 22 **(c) Allow education stakeholders to collaborate with members of business and**
23 **industry to foster policy alignment, professional interaction, and information systems**
24 **across sectors;**
- 25 **(d) Regularly provide feedback to schools, colleges, and employers concerning the**
26 **number of students requiring postsecondary remediation, whether in educational**
27 **institutions or the workplace;**
- 28 **(4) Exploring ways to better align academic content, particularly between**
29 **secondary school and first-year courses at public colleges and universities, which may**
30 **include alignment between:**
- 31 **(a) Elementary and secondary assessments and public college and university**
32 **admission and placement standards; and**
- 33 **(b) Articulation agreements of programs across sectors and educational levels;**
- 34 **3. No later than the first Wednesday after the first Monday of January each year,**
35 **the persons outlined in subsection 1 of this section shall report jointly to the general**
36 **assembly and to the governor the actions taken by their agencies and their**
37 **recommendations for policy initiatives and legislative alterations to achieve the policy goals**
38 **as outlined in this section.**

161.032. The members of the board shall be citizens of high moral standards and
2 recognized ability in their respective business or profession, who have resided in the state for not
3 less than five years immediately preceding their appointment, and not more than one of whom
4 shall be a resident of the same county or congressional district. At no time shall more than four
5 members be of the same political party. No member of the board shall be connected, either as
6 an official or as an employee, with any public, private, or denominational school, [college or
7 university,] nor be the holder of or a candidate for any public office.

172.287. 1. The University of Missouri shall annually request an appropriation under
2 capital improvements, subject to availability of funds, for a program of grants established for the
3 engineering colleges of the University of Missouri for the purpose of assisting such colleges in
4 the purchase of teaching and research laboratory equipment exclusive of laboratory or classroom
5 furniture. The amount granted for each engineering college may not exceed the lesser of an
6 amount equal to one thousand two hundred dollars per each such bachelor's degree awarded in
7 the previous fiscal year in all engineering programs currently accredited by the accreditation
8 board for engineering and technology, or the dollar value of new funds for equipment purchase
9 which such colleges may obtain from sources other than state appropriations for laboratory
10 equipment.

11 2. For purposes of this section, the fair market value of in-kind contributions of
12 laboratory equipment to the colleges may be included as funds for equipment purchase from
13 sources other than state appropriations. In the event that new funds for laboratory equipment
14 purchase obtained by any college of engineering from such nonstate sources exceed the amount
15 necessary to reach the maximum dollar limits herein specified, such excess amounts will be
16 carried over to the following fiscal year and considered the same as that year's new equipment
17 funds from nonstate sources.

18 3. In the event that the appropriations for this grant program are insufficient to fund all
19 grants approved for a given fiscal year, all such grants shall be reduced pro rata as necessary.

20 4. The provisions of this section shall terminate on June 30, [2007] **2017**.

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

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

17 equivalent employees regardless of the source of funding. In addition to all other powers, duties
18 and functions transferred to it, the coordinating board for higher education shall have the
19 following duties and responsibilities:

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

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

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

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

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

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

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

51 (8) The coordinating board shall collect the necessary information and develop
52 comparable data for all institutions of higher education in the state. The coordinating board shall

53 use this information to delineate the areas of competence of each of these institutions and for any
54 other purposes deemed appropriate by the coordinating board;

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

59 (10) If any **public** institution of higher education in this state[, public or private,]
60 willfully fails or refuses to follow any lawful guideline, policy or procedure established or
61 prescribed by the coordinating board, or knowingly deviates from any such guideline, or
62 knowingly acts without coordinating board approval where such approval is required, or willfully
63 fails to comply with any other lawful order of the coordinating board, the coordinating board
64 may, after a public hearing, withhold or direct to be withheld from that institution any funds the
65 disbursement of which is subject to the control of the coordinating board, or may remove the
66 approval of the institution as an "approved institution" within the meaning of section 173.205[,
67 but] . **If any such public institution willfully disregards board policy, the commissioner of
68 higher education may order such institution to remit a fine in an amount not to exceed one
69 percent of the institution's current fiscal year state appropriation to the board. The board
70 shall hold such funds until such time that the institution, as determined by the
71 commissioner of higher education, corrects the violation, at which time the board shall
72 refund such amount to the institution. If the commissioner determines that the institution
73 has not redressed the violation within one year, the fine amount shall be deposited into the
74 general revenue fund, unless the institution appeals such decision to the full coordinating
75 board, which shall have the authority to make a binding and final decision, by means of
76 a majority vote, regarding the matter. However, nothing in this section shall prevent any
77 institution of higher education in this state from presenting additional budget requests or from
78 explaining or further clarifying its budget requests to the governor or the general assembly[.] ;
79 and**

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

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

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

85 c. Provides a postsecondary course of instruction at least six months in length
86 leading to or directly creditable toward a degree or certificate;

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

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

91 **(b) No later than December 31, 2007, the coordinating board shall promulgate rules**
92 **regarding:**

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

96 **b. The board's approval process of degree programs and course offerings by any**
97 **out-of-state public institutions of higher education that, prior to July 1, 2009, were**
98 **approved by the board to operate a school in compliance with the provisions of sections**
99 **173.600 to 173.618;**

100

101 **The rules shall ensure that, as of July 1, 2009, all out-of state public institutions seeking to**
102 **offer courses within the state of Missouri are evaluated in a manner similar to Missouri**
103 **public higher education institutions. Such out-of-state public institutions shall be held to**
104 **standards no lower than the standards established by the board for Missouri institutions**
105 **of higher education under this section. Beginning July 1, 2009, the board shall revoke all**
106 **certificates of approval previously granted to out-of-state public institutions of higher**
107 **education under sections 173.600 to 173.618. Any such schools wishing to continue**
108 **operating within this state shall be approved by the board under the rules promulgated**
109 **under this subdivision. Any rule or portion of a rule, as that term is defined in section**
110 **536.010, RSMo, that is created under the authority delegated in this section shall become**
111 **effective only if it complies with and is subject to all of the provisions of chapter 536,**
112 **RSMo, and, if applicable, section 536.028, RSMo. This section and chapter 536, RSMo, are**
113 **nonseverable and if any of the powers vested with the general assembly pursuant to**
114 **chapter 536, RSMo, to review, to delay the effective date, or to disapprove and annul a rule**
115 **are subsequently held unconstitutional, then the grant of rulemaking authority and any**
116 **rule proposed or adopted after August 28, 2006, shall be invalid and void.**

117 **3. The coordinating board shall meet at least four times annually with an advisory**
118 **committee who shall be notified in advance of such meetings. The coordinating board shall have**
119 **exclusive voting privileges. The advisory committee shall consist of thirty-two members, who**
120 **shall be the president or other chief administrative officer of the University of Missouri; the**
121 **chancellor of each campus of the University of Missouri; the president of each state-supported**
122 **four-year college or university, including Harris-Stowe State University, Missouri Southern State**
123 **University, Missouri Western State University, and Lincoln University; the president of Linn**
124 **State Technical College; the president or chancellor of each public community college district;**

125 and representatives of each of five accredited private institutions selected biennially, under the
126 supervision of the coordinating board, by the presidents of all of the state's privately supported
127 institutions; but always to include at least one representative from one privately supported junior
128 college, one privately supported four-year college, and one privately supported university. The
129 conferences shall enable the committee to advise the coordinating board of the views of the
130 institutions on matters within the purview of the coordinating board.

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

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

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

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

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

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

158 10. All the powers, duties, functions, and properties of the state poultry experiment
159 station, chapter 262, RSMo, are transferred by type I transfer to the University of Missouri, and
160 the state poultry association and state poultry board are abolished. In the event the University

161 of Missouri shall cease to use the real estate of the poultry experiment station for the purposes
162 of research or shall declare the same surplus, all real estate shall revert to the governor of the
163 state of Missouri and shall not be disposed of without legislative approval.

**173.125. 1. As a condition of receiving state funds, every public institution of
2 higher education shall agree to submit to binding dispute resolution with regard to disputes
3 among public institutions of higher education that involve jurisdictional boundaries or the
4 use or expenditure of any state resources whatsoever, as determined by the coordinating
5 board. In all cases, the arbitrator shall be the commissioner of higher education or his or
6 her designee, whose decision shall be binding on all parties. Any institution aggrieved by
7 a decision of the commissioner may appeal such decision, in which instance the case shall
8 be reviewed by the full coordinating board, at which time the full coordinating board shall
9 have the authority to make a binding and final decision, by means of a majority vote,
10 regarding the matter.**

**173.234. 1. As used in this section, unless the context clearly requires otherwise, the
2 following terms shall mean:**

- 3 (1) "Board", the coordinating board for higher education;
- 4 (2) "Eligible student", a qualifying military member as defined in this section, or
5 the natural, adopted, or stepchild of a qualifying military member who is less than twenty-
6 five years of age and who was a dependent of a qualifying military member at the time of
7 death or injury, or the spouse of a qualifying military member who is less than forty-five
8 years of age;
- 9 (3) "Grant", the Iraq war military member and survivor grant, as established by
10 this section;
- 11 (4) "Qualifying institution", any approved Missouri public or private institution
12 of postsecondary education as defined in section 173.205;
- 13 (5) "Qualifying military member", any member of the military of the United States,
14 whether active duty, reserve, or national guard, who served in the military after September
15 11, 2001, during a time of war, or for whom the following criteria apply:
 - 16 (a) The veteran was a Missouri resident when first entering the military service and
17 at the time of death, illness, or injury; and
 - 18 (b) The veteran died as a result of combat action or the veteran's death was
19 certified by the Veterans Administration medical authority to be attributable to an illness
20 or accident that occurred while serving in combat, or who became eighty percent disabled
21 as a result of injuries or accidents sustained in combat action after September 11, 2001, and
22 who was at the time of death or injury a citizen of the state of Missouri;

23 **(6) "Tuition", any tuition or incidental fee or both charged by a qualifying**
24 **institution for attendance at the institution by an eligible student. The tuition grant shall**
25 **not exceed the amount of tuition charged a Missouri resident at the University of Missouri-**
26 **Columbia for attendance.**

27 **2. Within the limits of the amounts appropriated therefor, the coordinating board**
28 **for higher education shall award annually up to fifty grants to eligible students to attend**
29 **institutions of postsecondary education in this state, which shall continue to be awarded**
30 **annually to eligible recipients as long as certain standards of academic performance, as**
31 **determined by the coordinating board for higher education, continue to be achieved. If the**
32 **waiting list of eligible students exceeds fifty, the coordinating board may request the**
33 **general assembly to increase the limitation on the number of grants authorized under this**
34 **section. If the limitation on the number of grants under this section is not increased, the**
35 **eligibility of students on the waiting list shall be extended.**

36 **3. An eligible student may receive a grant under this section only so long as the**
37 **eligible student is enrolled in a program leading to a certificate, or an associate or**
38 **baccalaureate degree in a qualifying institution. In no event shall the eligible student**
39 **receive a grant beyond the completion of the first baccalaureate degree. No eligible student**
40 **shall receive more than one hundred percent of tuition when combined with similar funds**
41 **made available to such eligible student.**

42 **4. The coordinating board for higher education shall:**

43 **(1) Promulgate all necessary rules and regulations for the implementation of this**
44 **section;**

45 **(2) Determine minimum standards of performance in order for a student to remain**
46 **eligible to receive a grant under this program;**

47 **(3) Make available on behalf of the eligible student an amount toward the eligible**
48 **student's tuition which is equal to the grant to which the eligible student is entitled under**
49 **the provisions of this section;**

50 **(4) Provide the forms and determine the procedures necessary for an eligible**
51 **student to apply for and receive a grant under this program.**

52 **5. An eligible student who is enrolled or has been accepted for enrollment at a**
53 **qualifying institution shall receive a grant in an amount not to exceed the actual tuition**
54 **charged at the qualifying institution where the eligible student is enrolled or accepted for**
55 **enrollment. In addition, such student shall receive an allowance of two thousand dollars**
56 **per semester for room and board, and an allowance for the actual cost of books, up to five**
57 **hundred dollars per semester.**

58 **6. An eligible student who is a recipient of a grant may transfer from one qualifying**
59 **institution to another without losing his or her entitlement under this section. The board**
60 **shall make necessary adjustments in the amount of the grant. If a grant recipient at**
61 **anytime withdraws from a qualifying institution so that under the rules and regulations**
62 **of that institution the eligible student is entitled to a refund of any tuition, fees, or other**
63 **charges, the qualifying institution shall pay the portion of the refund to which the student**
64 **is entitled attributable to the grant for that semester or similar grading period to the board.**

65 **7. If an eligible student is granted financial assistance under any other student aid**
66 **program, public or private, the full amount of such aid shall be reported to the board by**
67 **the qualifying institution and the eligible student.**

68 **8. Nothing in this section shall be construed as a promise or guarantee that a person**
69 **will be admitted to a qualifying institution or to a particular qualifying institution, will be**
70 **allowed to continue to attend a qualifying institution after having been admitted, or will**
71 **be graduated from a qualifying institution.**

72 **9. Pursuant to section 23.253, RSMo, of the Missouri Sunset Act:**

73 **(1) The provisions of the new program authorized under this section shall**
74 **automatically sunset six years after the effective date of this section, unless reauthorized**
75 **by an act of the general assembly; and**

76 **(2) If such program is reauthorized, the program authorized under this section**
77 **shall automatically sunset twelve years after the effective date of the reauthorization of this**
78 **section; and**

79 **(3) This section shall terminate on September first of the calendar year immediately**
80 **following the calendar year in which the program authorized under this section is sunset.**

173.270. 1. The coordinating board for higher education shall make provisions for
2 **institutions under the board's jurisdiction to award a tuition and fee waiver for**
3 **undergraduate courses at state institutions of higher education for any student, beginning**
4 **with incoming freshmen in the 2007 fall semester or term, who:**

5 **(1) Is a resident of this state;**

6 **(2) Has graduated within the previous three years from high school or passed the**
7 **GED examination; and**

8 **(3) Has been in foster care or other residential care under the department of social**
9 **services on or after:**

10 **(a) The day preceding the student's eighteenth birthday;**

11 **(b) The day of the student's fourteenth birthday, if the student was also eligible for**
12 **adoption on or after that day; or**

13 **(c) The day the student graduated from high school or received a GED.**

14 **2. To be eligible for a waiver award, a student shall:**

15 **(1) Apply to and be accepted at the institution not later than:**

16 **(a) The third anniversary of the date the student was discharged from foster or**
17 **other residential care, the date the student graduated from high school, or the date the**
18 **student received a GED, whichever is earliest; or**

19 **(b) The student's twenty-first birthday;**

20 **(2) Apply for other student financial assistance, other than student loans, in**
21 **compliance with federal financial aid rules, including the federal Pell grant;**

22 **(3) Apply to the coordinating board for higher education for a determination of**
23 **eligibility. Application shall be on forms and in a manner prescribed by rule of the**
24 **coordinating board; and**

25 **(4) Complete a minimum of one hundred hours of community service or public**
26 **internship within a twelve-month period beginning September first for each year in which**
27 **the student is receiving a tuition and fee waiver award pursuant to this section. The**
28 **department of higher education, in collaboration with participating state institutions of**
29 **higher education, shall by rule determine the community service and public internships**
30 **that students may participate in to meet the requirements of this subdivision. A student**
31 **may fulfill this requirement by completing the necessary community service or public**
32 **internship hours during the summer.**

33 **3. The tuition and fee waiver provided by this section shall be awarded on an**
34 **annual basis, subject to appropriation, and shall continue to be available, if the student is**
35 **otherwise eligible pursuant to this section, as long as the student remains in good academic**
36 **standing at the state institution of higher education. The institution shall monitor**
37 **compliance with subdivision (4) of subsection 2 of this section and report it to the**
38 **department of higher education.**

39 **4. The waiver provided by this section for each eligible student may be used for no**
40 **more than four years of undergraduate study and may only be used after other sources of**
41 **financial aid that are dedicated solely to tuition and fees are exhausted.**

42 **5. No student who is enrolled in an institution of higher education as of the effective**
43 **date of this section shall be eligible for a waiver award under this section.**

44 **6. Any rule or portion of a rule, as that term is defined in section 536.010, RSMo,**
45 **that is created under the authority delegated in this section shall become effective only if**
46 **it complies with and is subject to all of the provisions of chapter 536, RSMo, and, if**
47 **applicable, section 536.028, RSMo. This section and chapter 536, RSMo, are nonseverable**
48 **and if any of the powers vested with the general assembly pursuant to chapter 536, RSMo,**
49 **to review, to delay the effective date, or to disapprove and annul a rule are subsequently**

50 **held unconstitutional, then the grant of rulemaking authority and any rule proposed or**
51 **adopted after August 28, 2006, shall be invalid and void.**

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

3 (1) A public institution;

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

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

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

12 **(5) Beginning July 1, 2009, all out-of-state public institutions of higher education,**
13 **as such term is defined in subdivision (11) of subsection 2 of section 173.005.**

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

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

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

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

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

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

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

36 3. A school which is otherwise licensed and approved under and pursuant to any other
37 licensing law of this state shall be exempt from sections 173.600 to 173.618, but a state
38 certificate of incorporation shall not constitute licensing for the purpose of sections 173.600 to
39 173.618.

40 4. Any school, training program or course of instruction exempted herein may elect by
41 majority action of its governing body or by action of its director to apply for approval of the
42 school, training program or course of instruction under the provisions of sections 173.600 to
43 173.618. Upon application to and approval by the coordinating board, such school training
44 program or course of instruction may become exempt from the provisions of sections 173.600
45 to 173.618 at any subsequent time, except the board shall not approve an application for
46 exemption if the approved school is then in any status of noncompliance with certification
47 standards and a reversion to exempt status shall not relieve the school of any liability for
48 indemnification or any penalty for noncompliance with certification standards during the period
49 of the school's approved status.

174.450. 1. Except as provided in subsection 2 **and subsection 6** of this section, the
2 governing board of Central Missouri State University, Missouri State University, Missouri
3 Southern State University, Missouri Western State University, and of each other public
4 institution of higher education which, through the procedures established in subdivision (7) or
5 (8) of section 173.030, RSMo, is charged with a statewide mission shall be a board of governors
6 consisting of eight members, composed of seven voting members and one nonvoting member
7 as provided in sections 174.453 and 174.455, who shall be appointed by the governor of
8 Missouri, by and with the advice and consent of the senate. No person shall be appointed a
9 voting member who is not a citizen of the United States and who has not been a resident of the
10 state of Missouri for at least two years immediately prior to such appointment. Not more than
11 four voting members shall belong to any one political party. The appointed members of the
12 board of regents serving on the date of the statutory mission change shall become members of
13 the board of governors on the effective date of the statutory mission change and serve until the
14 expiration of the terms for which they were appointed. The board of regents of any such
15 institution shall be abolished on the effective date of the statutory mission change, as prescribed
16 in subdivision (7) or (8) of section 173.030, RSMo.

17 2. The governing board of Missouri State University, a public institution of higher
18 education charged with a statewide mission in public affairs, shall be a board of governors of ten
19 members, composed of nine voting members and one nonvoting member, who shall be appointed
20 by the governor, by and with the advice and consent of the senate. The nonvoting member shall
21 be a student selected in the same manner as prescribed in section 174.055. No more than one

22 voting member shall be appointed to the board from the same congressional district, and every
23 member of the board shall be a citizen of the United States, and a resident of this state for at least
24 two years prior to his or her appointment. No more than five voting members shall belong to any
25 one political party. **The term of office of the governors shall be six years. The voting**
26 **members of the board of governors serving on August 28, 2005, shall serve until the**
27 **expiration of the terms for which they were appointed. For those voting members**
28 **appointed after August 28, 2005, the term of office will be established in a manner where**
29 **no more than three terms shall expire in a given year. The term of office for those**
30 **appointed hereafter shall end January first in years ending in an odd number.**

31 **3. If a voting member of the board of governors of Missouri State University is**
32 **found by unanimous vote of the other governors to have moved such governor's residence**
33 **from the district from which such governor was appointed, then the office of such governor**
34 **shall be forfeited and considered vacant.**

35 **4. If the total number of Missouri congressional districts is altered, all members of**
36 **the board of governors of Missouri State University shall be allowed to serve the remainder**
37 **of the term for which they were appointed.**

38 **5. If the boundaries of any congressional districts are altered in a manner that**
39 **displaces a member of the board of governors of Missouri State University from the**
40 **congressional district from which the member was appointed, the member shall be allowed**
41 **to serve the remainder of the term for which the member was appointed.**

42 [3.] **6.** The governing board of Missouri Southern State University shall be a board of
43 governors consisting of nine members, composed of eight voting members and one nonvoting
44 member as provided in sections 174.453 and 174.455, who shall be appointed by the governor
45 of Missouri, by and with the advice and consent of the senate. No person shall be appointed a
46 voting member who is not a citizen of the United States and who has not been a resident of the
47 state of Missouri for at least two years immediately prior to such appointment. Not more than
48 four voting members shall belong to any one political party.

174.453. 1. **Except as provided in section 174.450,** the board of governors shall be
2 appointed as follows:

3 (1) Five voting members shall be selected from the counties comprising the institution's
4 historic statutory service region as described in section 174.010, except that no more than two
5 members shall be appointed from any one county with a population of less than two hundred
6 thousand inhabitants;

7 (2) Two voting members shall be selected from any of the counties in the state which are
8 outside of the institution's historic service region; and

9 (3) One nonvoting member who is a student shall be selected in the same manner as
10 prescribed in section 174.055.

11 2. The term of service of the governors shall be as follows:

12 (1) The voting members shall be appointed for terms of six years; and

13 (2) The nonvoting student member shall serve a two-year term.

14 3. Members of any board of governors selected pursuant to this section and in office on
15 May 13, 1999, shall serve the remainder of their unexpired terms.

16 4. Notwithstanding the provisions of subsection 1 of this section, the board of governors
17 of Missouri Southern State University shall be appointed as follows:

18 (1) Six voting members shall be selected from any of the following counties: Barton,
19 Jasper, Newton, McDonald, Dade, Lawrence, and Barry provided that no more than three of
20 these six members shall be appointed from any one county;

21 (2) Two voting members shall be selected from any of the counties in the state which are
22 outside of the counties articulated in subdivision (1) of this subsection;

23 (3) One nonvoting member who is a student shall be selected in the same manner as
24 prescribed in section 174.055; and

25 (4) The provisions of subdivisions (1) and (2) of this subsection shall only apply to board
26 members first appointed after August 28, 2004.

27 5. Notwithstanding the provisions of subsection 1 of this section, the board of governors
28 of Missouri Western State University shall be appointed as follows:

29 (1) Five voting members shall be selected from any of the following counties:
30 Buchanan, Platte, Clinton, Andrew, and DeKalb provided that no more than three of these five
31 members shall be appointed from any one county;

32 (2) Two voting members shall be selected from any of the counties in the state which are
33 outside of the counties articulated in subdivision (1) of this subsection;

34 (3) One nonvoting member who is a student shall be selected in the same manner as
35 prescribed in section 174.055; and

36 (4) The provisions of subdivisions (1) and (2) of this subsection shall only apply to board
37 members first appointed after August 28, 2005.

174.500. 1. The board of [regents of Southwest] **governors of Missouri State University**
2 is authorized to continue the program of higher education at West Plains, Missouri, which was
3 begun in 1963 and which shall be known as the "West Plains Campus of [Southwest] Missouri
4 State University". [Southwest] Missouri State University may include an appropriation request
5 for the branch facility at West Plains in its operating budget.

6 2. The coordinating board for higher education in cooperation with the board of [regents]
7 **governors** shall develop a mission implementation plan for the campus at West Plains, Howell

8 County, which is known as the "West Plains Campus of [Southwest] Missouri State University",
9 and which shall be a teaching institution, offering one-year certificates, two-year associate
10 degrees and credit and noncredit courses to both traditional and nontraditional students to meet
11 the ongoing and emerging employer and educational needs of the citizens of the area served.

178.870. Any tax imposed on property subject to the taxing power of the junior college
2 district under article X, section 11(a) of the Missouri Constitution without voter approval shall
3 not exceed the annual rate of ten cents on the hundred dollars assessed valuation in districts
4 having one billion [five] **seven hundred fifty** million dollars or more assessed valuation; twenty
5 cents on the hundred dollars assessed valuation in districts having [seven hundred fifty million]
6 **one billion** dollars but less than one billion [five] **seven hundred fifty** million dollars assessed
7 valuation; thirty cents on the hundred dollars assessed valuation in districts having [five] **seven**
8 **hundred fifty** million dollars but less than [seven hundred fifty million] **one billion** dollars
9 assessed valuation; forty cents on the hundred dollars assessed valuation in districts having less
10 than [five] **seven hundred fifty** million dollars assessed valuation; except that, no public junior
11 college district having an assessed valuation in excess of one hundred million and less than two
12 hundred fifty million which is levying an operating levy of thirty cents per one hundred dollars
13 assessed valuation on September 28, 1975, shall increase such levy above thirty cents per one
14 hundred dollars assessed valuation without voter approval. Tax rates specified in this section
15 that were in effect in 1984 shall not be lowered due to an increase in assessed valuation created
16 by general reassessment; however, the provisions of section 137.073, RSMo, or section 22(a) of
17 article X of the Missouri Constitution are applicable. Districts which operate institutions
18 awarding degrees above the associate degree shall not be affected by the changes provided in this
19 section. Increases of the rate with voter approval shall be made in the manner provided in
20 chapter 164, RSMo, for school districts.

**Section 1. 1. The department of revenue shall study the fiscal implications of
2 providing a tax deduction for higher education tuition and fee expenses for those persons
3 earning less than one hundred thousand dollars annually.**

**2. The department of revenue shall report to the general assembly no later than
5 January 1, 2007, regarding its findings regarding subsection 1 of this section.**

**Section 2. 1. As used in this section, unless the context clearly requires otherwise,
2 the following terms mean:**

- 3 **(1) "Board", the coordinating board for higher education;**
- 4 **(2) "Books", any books required for any course for which tuition was paid by a
5 grant awarded pursuant to this section;**
- 6 **(3) "Grant", the war veteran's survivors grant as established in this section;**

7 (4) "Institution of postsecondary education", any approved Missouri public
8 institution of postsecondary education, as defined in section 173.205;

9 (5) "Survivor", a child or spouse of a war veteran;

10 (6) "Tuition", any tuition or incidental fee, or both, charged by an institution of
11 postsecondary education for attendance at the institution by a student as a resident of this
12 state;

13 (7) "War veteran", a person who served in the military during a time of war and
14 to whom the following criteria shall apply:

15 (a) The veteran was a Missouri resident when first entering the military service and
16 at the time of death; and

17 (b) The veteran dies as a result of combat action or the veteran's death was certified
18 by a Veterans' Administration medical authority to be attributable to an illness that was
19 contracted while serving in combat.

20 2. Within the limits of the amounts appropriated therefor, the coordinating board
21 for higher education shall award annually up to twenty-five grants to survivors of war
22 veterans to attend institutions of postsecondary education in this state, which shall continue
23 to be awarded annually to eligible recipients as long as certain standards of academic
24 performance, as determined by the coordinating board for higher education, continue to
25 be achieved. If the waiting list of eligible survivors exceeds fifty, the coordinating board
26 may petition the general assembly to expand the quota. If the quota is not expanded, then
27 the eligibility of survivors on the waiting list shall be extended.

28 3. A survivor may receive a grant pursuant to this section only so long as the
29 survivor is enrolled in a program leading to a certificate, or an associate or baccalaureate
30 degree. In no event shall a survivor receive a grant beyond the completion of the first
31 baccalaureate degree, regardless of age.

32 4. The coordinating board for higher education shall:

33 (1) Promulgate all necessary rules and regulations for the implementation of this
34 section;

35 (2) Determine minimum standards of academic performance in order for a survivor
36 to remain eligible to receive a grant under this section;

37 (3) Provide the forms and determine the procedures necessary for a survivor to
38 apply for and receive a grant under this section.

39 5. Any rule or portion of a rule, as that term is defined in section 536.010, RSMo,
40 that is created under the authority delegated in this section shall become effective only if
41 it complies with and is subject to all of the provisions of chapter 536, RSMo, and, if
42 applicable, section 536.028, RSMo. This section and chapter 536, RSMo, are nonseverable

43 and if any of the powers vested with the general assembly pursuant to chapter 536, RSMo,
44 to review, to delay the effective date, or to disapprove and annul a rule are subsequently
45 held unconstitutional, then the grant of rulemaking authority and any rule proposed or
46 adopted after August 28, 2006, shall be invalid and void.

47 **6. In order to be eligible to receive a grant pursuant to this section, a survivor shall**
48 **be certified as eligible by the Missouri veterans' commission. In the case of an illness-**
49 **related death, such certification shall be made upon qualified medical certification by a**
50 **Veterans' Administration medical authority that the illness was both a direct result of the**
51 **veteran's combat service and a substantial factor in the cause of the resulting death of the**
52 **veteran.**

53 **7. A survivor who is enrolled or has been accepted for enrollment as an**
54 **undergraduate postsecondary student at an approved institution of postsecondary**
55 **education, and who is selected to receive a grant under this section, shall receive the**
56 **following:**

57 **(1) An amount not to exceed half of the survivor's actual tuition;**

58 **(2) An allowance of up to two thousand dollars per semester for room and board;**

59 **and**

60 **(3) The actual cost of books, up to a maximum of five hundred dollars per semester.**

61 **8. A survivor who is a recipient of a grant may transfer from one approved public**
62 **institution of postsecondary education to another without losing his or her entitlement**
63 **under this section. The board shall make necessary adjustments in the amount of the grant.**
64 **If a grant recipient at any time withdraws from the institution of postsecondary education**
65 **so that under the rules and regulations of that institution he or she is entitled to a refund**
66 **of any tuition, fees, room and board, books, or other charges, the institution shall pay the**
67 **portion of the refund to which he or she is entitled attributable to the grant for that**
68 **semester or similar grading period to the board.**

69 **9. If a survivor is granted financial assistance under any other student aid program,**
70 **public or private, the full amount of such aid shall be reported to the board by the**
71 **institution and the eligible survivor.**

72 **10. Nothing in this section shall be construed as a promise or guarantee that a**
73 **person will be admitted to an institution of postsecondary education or to a particular**
74 **institution of postsecondary education, will be allowed to continue to attend an institution**
75 **of postsecondary education after having been admitted, or will be graduated from an**
76 **institution of postsecondary education.**

77 **11. The benefits conferred by this section shall be available to any academically**
78 **qualified surviving spouse or children of war veterans. Surviving children who are eligible**

79 **shall be permitted to apply for full benefits conferred by this section until they reach**
80 **twenty-five years of age.**

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