AN ACT

To repeal sections 161.097, 163.191, 173.030, 173.1006, 174.450, and 178.638, RSMo, and to enact in lieu thereof seven new sections relating to authorization for funding and administrative processes in higher education.

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

Section A. Sections 161.097, 163.191, 173.030, 173.1006, 174.450, and 178.638, RSMo, are repealed and seven new sections enacted in lieu thereof, to be known as sections 161.097, 163.191, 173.030, 173.1540, 174.450, and 178.638, to read as follows:

161.097. 1. The state board of education shall establish standards and procedures by which it will evaluate all teacher training institutions in this state for the approval of teacher education programs. The state board of education shall not require teacher training institutions to meet national or regional accreditation as a part of its standards and procedures in making those evaluations, but it may accept such accreditations in lieu of such approval if standards and procedures set thereby are at least as stringent as those set by the board. The state board of education's standards and procedures for evaluating teacher training institutions shall equal or exceed those of national or regional accrediting associations.

2. There is hereby established within the department of elementary and secondary education the "Missouri Advisory Board for Educator Preparation", hereinafter referred to as "MABEP". The MABEP shall advise the state board of education and the coordinating board for higher education regarding matters of mutual interest in the area of quality educator preparation programs in Missouri.

3. Upon approval by the state board of education of the teacher education program at a particular teacher training institution, any person who graduates from that program, and who

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.
meets other requirements which the state board of education shall prescribe by rule, regulation and statute shall be granted a certificate or license to teach in the public schools of this state. However, no such rule or regulation shall require that the program from which the person graduates be accredited by any national or regional accreditation association.

[3. Notwithstanding any provision in the law to the contrary, the state board of education may accredit a graduate law school and any graduate of such an accredited law school shall be allowed to take the examination for admission to the bar of Missouri.]

4. Any rule or portion of a rule, as that term is defined in section 536.010, 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 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 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, 2014, shall be invalid and void.

163.191. 1. As used in this section, the following terms shall mean:

(1) "Community college", an institution of higher education deriving financial resources from local, state, and federal sources, and providing postsecondary education primarily for persons above the twelfth grade age level, including courses in:
   (a) Liberal arts and sciences, including general education;
   (b) Occupational, vocational-technical; and
   (c) A variety of educational community services.

Community college course offerings lead to the granting of certificates, diplomas, or associate degrees, but do not include baccalaureate or higher degrees;

(2) "Operating costs", all costs attributable to current operations, including all direct costs of instruction, instructors' and counselors' compensation, administrative costs, all normal operating costs and all similar noncapital expenditures during any year, excluding costs of construction of facilities and the purchase of equipment, furniture, and other capital items authorized and funded in accordance with subsection 6 of this section. Operating costs shall be computed in accordance with accounting methods and procedures to be specified by the department of higher education;

(3) "Year", from July first to June thirtieth of the following year.

2. Each year public community colleges in the aggregate shall be eligible to receive from state funds, if state funds are available and appropriated, an amount up to but not more than fifty percent of the state community colleges' planned operating costs as determined by the department
of higher education. [As used in this subsection, the term "year" means from July first to June thirtieth of the following year. As used in this subsection, the term "operating costs" means all costs attributable to current operations, including all direct costs of instruction, instructors' and counselors' compensation, administrative costs, all normal operating costs and all similar noncapital expenditures during any year, excluding costs of construction of facilities and the purchase of equipment, furniture, and other capital items authorized and funded in accordance with subsection 2 of this section. Operating costs shall be computed in accordance with accounting methods and procedures to be specified by the department of higher education.] The department of higher education shall review all institutional budget requests and prepare appropriation recommendations annually for the community colleges under the supervision of the department. The department's budget request shall include a recommended level of funding.

3. (1) Except as provided in subdivision (2) of this subsection, distribution of appropriated funds to community college districts shall be in accordance with the community college resource allocation model. This model shall be developed and revised as appropriate cooperatively by the community colleges and the department of higher education. The department of higher education shall recommend the model to the coordinating board for higher education for their approval. The core funding level for each community college shall initially be established at an amount agreed upon by the community colleges and the department of higher education. This amount will be adjusted annually for inflation, limited growth, and program improvements in accordance with the resource allocation model starting with fiscal year 1993. [The department of higher education shall request new and separate state aid funds for any new districts for their first six years of operation. The request for the new districts shall be based upon the same level of funding being provided to the existing districts, and should be sufficient to provide for the growth required to reach a mature enrollment level.]

(2) Beginning in fiscal year 2016, at least ninety percent of any increase in core funding over the appropriated amount for the previous fiscal year shall be distributed in accordance with the achievement of performance-funding measures under section 173.1006.

4. The department of higher education [will] shall be responsible for evaluating the effectiveness of the resource allocation model and will submit a report to the governor, the joint committee on education, the speaker of the house of representatives and president pro tem of the senate by [November 1997] October 31, 2019, and every four years thereafter.

5. The department of higher education shall request new and separate state-aid funds for any new community college district for its first six years of operation. The request for the new district shall be based upon the same level of funding being provided
to the existing districts, and should be sufficient to provide for the growth required to reach a mature enrollment level.

6. In addition to state funds received for operating purposes, each community college district shall be eligible to receive an annual appropriation, exclusive of any capital appropriations, for the cost of maintenance and repair of facilities and grounds, including surface parking areas, and purchases of equipment and furniture. Such funds shall not exceed in any year an amount equal to ten percent of the state appropriations, exclusive of any capital appropriations, to community college districts for operating purposes during the most recently completed fiscal year. The department of higher education may include in its annual appropriations request the necessary funds to implement the provisions of this subsection and when appropriated shall distribute the funds to each community college district as appropriated. The department of higher education appropriations request shall be for specific maintenance, repair, and equipment projects at specific community college districts, shall be in an amount of fifty percent of the cost of a given project as determined by the coordinating board and shall be only for projects which have been approved by the coordinating board through a process of application, evaluation, and approval as established by the coordinating board. The coordinating board, as part of its process of application, evaluation, and approval, shall require the community college district to provide proof that the fifty-percent share of funding to be defrayed by the district is either on hand or committed for maintenance, repair, and equipment projects. Only salaries or portions of salaries paid which are directly related to approved projects may be used as a part of the fifty-percent share of funding.

[3.] 7. School districts offering two-year college courses pursuant to section 178.370 on October 31, 1961, shall receive state aid pursuant to subsection 2, subdivision (1) of subsection 3, and subsection 6 of this section if all scholastic standards established pursuant to sections 178.770 to 178.890 are met.

[4.] 8. In order to make postsecondary educational opportunities available to Missouri residents who do not reside in an existing community college district, community colleges organized pursuant to section 178.370 or sections 178.770 to 178.890 shall be authorized pursuant to the funding provisions of this section to offer courses and programs outside the community college district with prior approval by the coordinating board for higher education. The classes conducted outside the district shall be self-sustaining except that the coordinating board shall promulgate rules to reimburse selected out-of-district instruction only where prior need has been established in geographical areas designated by the coordinating board for higher education.
Funding for such off-campus instruction shall be included in the appropriation recommendations, shall be determined by the general assembly and shall continue, within the amounts appropriated therefor, unless the general assembly disapproves the action by concurrent resolution.

5. A "community college" is an institution of higher education deriving financial resources from local, state, and federal sources, and providing postsecondary education primarily for persons above the twelfth grade age level, including courses in:

(1) Liberal arts and sciences, including general education;
(2) Occupational, vocational-technical; and
(3) A variety of educational community services.

Community college course offerings lead to the granting of certificates, diplomas, and/or associate degrees, but do not include baccalaureate or higher degrees.

6. When distributing state aid authorized for community colleges, the state treasurer may, in any year if requested by a community college, disregard the provision in section 30.180 requiring the state treasurer to convert the warrant requesting payment into a check or draft and wire transfer the amount to be distributed to the community college directly to the community college's designated deposit for credit to the community college's account.

173.030. The coordinating board, in addition, shall have responsibility, within the provisions of the constitution and the statutes of the state of Missouri, for:

(1) Requesting the governing boards of all state-supported institutions of higher education, and of major private institutions to submit to the coordinating board any proposed policy changes which would create additional institutions of higher education, additional residence centers, or major additions in degree and certificate programs, and make pertinent recommendations relating thereto;
(2) Recommending to the governing board of any institution of higher education in the state the development, consolidation, or elimination of programs, degree offerings, physical facilities or policy changes where that action is deemed by the coordinating board as in the best interests of the institutions themselves and/or the general requirements of the state. Recommendations shall be submitted to governing boards by twelve months preceding the term in which the action may take effect;
(3) Recommending to the governing boards of state-supported institutions of higher education, including public community colleges receiving state support, formulas to be employed in specifying plans for general operations, for development and expansion, and for requests for appropriations from the general assembly. Such recommendations will be submitted to the governing boards by April first of each year preceding a regular session of the general assembly of the state of Missouri;
(4) Promulgating rules to include selected off-campus instruction in public college and university appropriation recommendations where prior need has been established in areas designated by the coordinating board for higher education. Funding for such off-campus instruction shall be included in the appropriation recommendations, shall be determined by the general assembly and shall continue, within the amounts appropriated therefor, unless the general assembly disapproves the action by concurrent resolution;

(5) Coordinating reciprocal agreements between or among Missouri state institutions of higher education at the request of one or more of the institutions party to the agreement, and between or among Missouri state institutions of higher education and publicly supported higher education institutions located outside the state of Missouri at the request of any Missouri institution party to the agreement;

(6) Entering into agreements for interstate reciprocity regarding the delivery of postsecondary distance education, administering such agreements, and approving or disapproving applications to participate in such agreements from a postsecondary institution that has its principal campus in the state of Missouri:

(a) The coordinating board shall establish standards for institutional approval. Those standards shall include, but are not limited to the:
   a. Definition of physical presence for non-Missouri institutions serving Missouri residents consistent with other states' definitions of physical presence; and
   b. Establishment of consumer protection policies for distance education addressing recruitment and marketing activities; disclosure of tuition, fees, and other charges; disclosure of admission processes and procedures; and student complaints;

(b) The coordinating board shall establish policies for the review and resolution of student complaints arising from distance education programs offered under the agreement;

(c) The coordinating board may charge fees to any institution that applies to participate in an interstate postsecondary distance education reciprocity agreement authorized pursuant to this section. Such fees shall not exceed the coordinating board for higher education's cost of reviewing and evaluating the applications; and

(d) The coordinating board shall promulgate rules to implement the provisions of this subdivision. Any rule or portion of a rule, as that term is defined in section 536.010, 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 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 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, 2014, shall be invalid and void;

(7) Administering the nurse training incentive fund;

[(7)] (8) Conducting, in consultation with each public four-year institution's governing board and the governing board of technical colleges and community colleges, a review every five years of the mission statements of the institutions comprising Missouri's system of public higher education. This review shall be based upon the needs of the citizens of the state as well as the requirements of business, industry, the professions and government. The purpose of this review shall be to ensure that Missouri's system of higher education is responsive to the state's needs and is focused, balanced, cost-effective, and characterized by programs of high quality as demonstrated by student performance and program outcomes. As a component of this review, each institution shall prepare, in a manner prescribed by the coordinating board, a mission implementation plan for the coordinating board's consideration and approval. If the coordinating board determines that an institution has qualified for a mission change or additional targeted resources pursuant to review conducted under this subdivision and subdivision [(8)] (9) of this subsection, the coordinating board shall submit a report to the general assembly that outlines the proposed mission change or targeted state resources. No change of mission for an institution under this subdivision establishing a statewide mission shall become effective until the general assembly approves the proposed mission change by concurrent resolution, except for the institution defined pursuant to subdivision (1) of section 174.010, and has been approved by the coordinating board and the institutions for which the coordinating board has recommended a statewide mission prior to August 28, 1995. The effective date of any mission change under this subdivision shall be the first day of July immediately following the approval of the concurrent resolution by the general assembly as required under this subdivision, and shall be August 28, 1995, for any institution for which the coordinating board has recommended a statewide mission which has not yet been implemented on such date. Nothing in this subdivision shall preclude an institution from initiating a request to the coordinating board for a revision of its mission; and

[(8)] (9) Reviewing applications from institutions seeking a statewide mission. Such institutions shall provide evidence to the coordinating board that they have the capacity to discharge successfully such a mission. Such evidence shall consist of the following:

(a) That the institution enrolls a representative cross-section of Missouri students. Examples of evidence for meeting this requirement which the institution may present include, but are not limited to, the following: enrolling at least forty percent of its Missouri resident, first-time degree-seeking freshmen from outside its historic statutory service region; enrolling its Missouri undergraduate students from at least eighty percent of all Missouri counties; or enrolling one or more groups of special population students such as minorities, economically
disadvantaged, or physically disadvantaged from outside its historic statutory service region at rates exceeding state averages of such populations enrolled in the higher educational institutions of this state;

(b) That the institution offers one or more programs of unusual strength which respond to a specific statewide need. Examples of evidence of meeting this requirement which the institution may present include, but are not limited to, the following: receipt of national, discipline-specific accreditation when available; receipt of independent certification for meeting national or state standards or requirements when discipline-specific accreditation is not available; for occupationally specific programs, placement rates significantly higher than average; for programs for which state or national licensure is required or for which state or national licensure or registration is available on a voluntary basis, licensure or registration rates for graduates seeking such recognition significantly higher than average; or quality of program faculty as measured by the percentage holding terminal degrees, the percentage writing publications in professional journals or other appropriate media, and the percentage securing competitively awarded research grants which are higher than average;

(c) That the institution has a clearly articulated admission standard consistent with the provisions of subdivision (4) of subsection 2 of section 173.005 or section 174.130;

(d) That the institution is characterized by a focused academic environment which identifies specific but limited areas of academic emphasis at the undergraduate, and if appropriate, at the graduate and professional school levels, including the identification of programs to be continued, reduced, terminated or targeted for excellence. The institution shall, consistent with its focused academic environment, also have the demonstrable capacity to provide significant public service or research support that address statewide needs for constituencies beyond its historic statutory service region; and

(e) That the institution has adopted and maintains a program of continuous quality improvement, or the equivalent of such a program, and reports annually appropriate and verifiable measures of institutional accountability related to such program. Such measures shall include, but not be limited to, indicators of student achievement and institutional mission attainment such as percentage of students meeting institutional admission standards; success of remediation programs, if offered; student retention rate; student graduation rate; objective measures of student, alumni, and employer satisfaction; objective measures of student learning in general education and the major, including written and oral communication skills and critical thinking skills; percentage of students attending graduate or professional schools; student placement, licensure and professional registration rates when appropriate to a program's objectives; objective measures of successful attainment of statewide goals as may be expressed from time to time by the coordinating board or by the general assembly; and objective measures
of faculty teaching effectiveness. In the development and evaluation of these institutional
accountability reports, the coordinating board and institutions are expected to use multiple
measures of success, including nationally developed and verified as well as locally developed
and independently verified assessment instruments; however, preference shall be given to
nationally developed instruments when they are available and if they are appropriate. Institutions
which serve or seek to serve a statewide mission shall be judged to have met the prerequisites
for such a mission when they demonstrate to the coordinating board that they have met the
criteria described in this subdivision. As a component of this process, each institution shall
prepare, in a manner prescribed by the coordinating board, a mission implementation plan for
the coordinating board's consideration and approval.

173.1006. 1. [The following performance measures shall be established by July 1, 2008:
(1) Two institutional measures as negotiated by each public institution through the
department of higher education; and
(2) Three statewide measures as developed by the department of higher education in
consultation with public institutions of higher education.
One such measure may be a sector-specific measure making use of the 2005 additional Carnegie
categories, if deemed appropriate by the department of higher education.
2. The department shall report to the joint committee on education established in section
160.254 on its progress at least twice a year in developing the statewide measures and
negotiating the institution-specific measures and shall develop a procedure for reporting the
effects of performance measures to the joint committee on education at an appropriate time for
consideration during the appropriations process.] The coordinating board for higher education
has adopted institutional performance measures for each public four-year institution of
higher education, each community college, and the state technical college in collaboration
with the institutions that shall be used for performance funding under sections 163.191,
173.1540, and 178.638. Five institutional performance measures have been adopted for
each institution. Institutional performance measures shall include but need not be limited
to measuring student retention, graduation rates, student job placement in a field or
position associated with the student's degree level, and pursuit of a graduate degree. The
institutional performance measure relating to job placement may not be used in any year
in which the state unemployment rate has increased from the previous calendar year's state
unemployment rate.
2. The coordinating board shall evaluate and, if necessary, revise the institutional
performance measures every three years beginning in calendar year 2019 or more
frequently at the coordinating board's discretion.
3. The department of higher education shall be responsible for evaluating the effectiveness of the performance funding measures, including their effect on statewide postsecondary, higher education, and workforce goals, and shall submit a report to the governor, the joint committee on education, the speaker of the house of representatives and president pro tem of the senate by October 31, 2019, and every four years thereafter.

173.1540. 1. Annually each public four-year institution of higher education shall prepare an institutional budget request and submit it to the department of higher education. The department of higher education shall review all institutional budget requests and prepare appropriation recommendations annually for each public four-year institution of higher education.

2. The appropriation of core-funding increases in state funding to public four-year institutions of higher education shall be in accordance with the increase allocation model, subject to the parameters set forth in subsection 4 of this section. The increase allocation model shall be developed and revised as appropriate cooperatively by the public four-year institutions of higher education and the department of higher education. The department of higher education shall recommend the model to the coordinating board for higher education for its approval by October 31, 2014.

3. The core-funding level for each public four-year institution of higher education shall initially be the appropriated amount for each institution for fiscal year 2015. Increases under subsection 4 of this section shall be incorporated into the core-funding level annually in accordance with the increase allocation model starting with fiscal year 2016.

4. (1) The increase allocation model shall comply with the parameters of this subsection in allocating annual increases in core appropriations to public four-year institutions of higher education.

(2) No more than ten percent of any increase in core appropriations shall be distributed to address inequitable state funding through any combination of the following:

(a) Determined on a per-student basis, as determined by calculating full-time equivalency or on such other basis as determined by the department and agreed upon by the institutions. To the extent inequities result from an institution's performance on its performance funding measures adopted under section 173.1006, such inequities shall not be eligible for an allocation under this paragraph; and

(b) Distributed based on weighted full-time equivalent credit hours so as to provide enrollment, program offering, and mission sensitivity on an on-going basis.

(3) At least ninety percent of annual increases shall be distributed in accordance with the performance funding model adopted under section 173.1006.
5. The department of higher education shall be responsible for evaluating the effectiveness of the increase allocation model and shall submit a report to the governor, the joint committee on education, the speaker of the house of representatives and the president pro tem of the senate by October 31, 2019, and every four years thereafter.

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

2. The governing board of Missouri State University, a public institution of higher education charged with a statewide mission in public affairs, shall be a board of governors of ten members, composed of nine voting members and one nonvoting member, who shall be appointed by the governor, by and with the advice and consent of the senate. The nonvoting member shall be a student selected in the same manner as prescribed in section 174.055. At least one but no more than two voting members shall be appointed to the board from each congressional district, and every member of the board shall be a citizen of the United States, and a resident of this state for at least two years prior to his or her appointment. No more than five voting members shall belong to any one political party. The term of office of the governors shall be six years, except as provided in this subsection. The term of office for those appointed hereafter shall end January first in years ending in an odd number. For the six voting members' terms that expired in 2011, the successors shall be appointed in the following manner:

(1) Of the five voting members' terms that expired on August 28, 2011, one successor member shall be appointed, or the existing member shall be reappointed, to a term that shall expire on January 1, 2013;
(2) Of the five voting members' terms that expired on August 28, 2011, two successor members shall be appointed, or the existing members shall be reappointed, to terms that shall expire on January 1, 2015;

(3) Of the five voting members' terms that expired on August 28, 2011, two successor members shall be appointed, or the existing members shall be reappointed, to a term that shall expire on January 1, 2017; and

(4) For the voting member's term that expired on January 1, 2011, the successor member shall be appointed, or the existing member shall be reappointed, to a term that shall expire on January 1, 2017.

Notwithstanding any provision of law to the contrary, nothing in this section relating to a change in the composition and configuration of congressional districts in this state shall prohibit a member who is serving a term on August 28, 2011, from completing his or her term.

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

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

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

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

178.638. 1. State Technical College of Missouri shall be under the oversight of the coordinating board for higher education. The institution shall also be subject to oversight by the state board of education to the extent it serves as an area vocational technical school. Beginning in the first full state fiscal year subsequent to the approval of State Technical College of Missouri's plan by the coordinating board submitted pursuant to section 178.637, the state of
Missouri shall, subject to appropriation, provide the funds necessary to provide the staff, cost of operation, and payment of all new capital improvements commencing with that fiscal year.

2. All funds designated for the institution shall be included in the coordinating board's budget request as provided in chapter 173, except that vocational technical education reimbursements shall continue to be requested through the state board of education.

3. Beginning with fiscal year 2016, at least ninety percent of any annual increase in core funding over the previous year shall be distributed in accordance with the performance-funding measures under section 173.1006.