

SECOND REGULAR SESSION
[P E R F E C T E D]
SENATE COMMITTEE SUBSTITUTE FOR
SENATE BILL NO. 492
97TH GENERAL ASSEMBLY

Reported from the Committee on Education, January 28, 2014, with recommendation that the Senate Committee Substitute do pass.

Senate Committee Substitute for Senate Bill No. 492, adopted February 18, 2014.

Taken up for Perfection February 18, 2014. Bill declared Perfected and Ordered Printed, as amended.

TERRY L. SPIELER, Secretary.

4393S.07P

AN ACT

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

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

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

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

14 **2. Unless the general assembly chooses to otherwise appropriate
15 state funding the appropriation of increases in state funding from the
16 previous fiscal year's state funding level to public four-year institutions
17 of higher education and State Technical College of Missouri shall be in
18 accordance with the university resource allocation model, subject to**

19 the parameters set forth in subsection 3 of this section. The university
20 resource allocation model shall expire on June 30, 2016. This model
21 shall be developed and revised, as appropriate, cooperatively by the
22 public four-year institutions of higher education, State Technical
23 College of Missouri, and the department of higher education. The
24 department of higher education shall recommend the model to the
25 coordinating board for higher education for its approval. The core
26 funding level for each public four-year institution of higher education
27 and State Technical College of Missouri shall initially be the
28 appropriated amount for each institution for fiscal year 2014. This
29 amount shall be adjusted annually in accordance with the university
30 resource allocation model starting in fiscal year 2015. The department
31 of higher education shall be responsible for evaluating the effectiveness
32 of the university resource allocation model and shall submit a report
33 to the joint committee on education, the speaker of the house of
34 representatives, and the president pro tempore of the senate by
35 January 1, 2016, and every four years thereafter.

36 3. The university resource allocation model shall comply with the
37 following parameters in allocating annual increases from the previous
38 fiscal year's state funding level to public four-year institutions of
39 higher education and State Technical College of Missouri:

40 (1) Unless otherwise provided by the general assembly during
41 the appropriations process, at least ninety percent of annual increases
42 from the previous fiscal year's state funding level shall be distributed
43 in accordance with the institutional performance funding measures
44 adopted under subsection 5 of this section; and

45 (2) Unless otherwise provided by the general assembly during
46 the appropriations process, no more than ten percent of annual
47 increases from the previous fiscal year's state funding level shall be
48 distributed to address inequitable state funding determined on either:

49 (a) A per student basis, as determined by calculating full-time
50 equivalency, or otherwise;

51 (b) A per credit hour basis, as determined by weighting credit
52 hours to reflect program offerings and institutional missions, or
53 otherwise; or

54 (c) A combination of both paragraphs (a) and (b) of this
55 subdivision.

56 4. Any inequity in state funding that results from the
57 performance funding measures adopted pursuant to subsection 5 of this
58 section shall not be considered for a distribution of funds under
59 subdivision (2) of subsection 3 of this section.

60 5. By July 1, 2014, the coordinating board for higher education
61 shall develop and adopt institutional performance measures for each
62 public four-year institution of higher education and State Technical
63 College of Missouri, in collaboration with the institutions and the joint
64 committee on education, that shall be used for purposes of this
65 section. Five institutional performance measures shall be adopted for
66 each institution. Institutional performance measures shall include but
67 need not be limited to measuring student retention, graduation rates,
68 student job placement in a field or position associated with the
69 student's degree level, and pursuit of a graduate degree. The
70 institutional performance measure relating to job placement may not
71 be used in any year in which the state unemployment rate has
72 increased from the previous calendar year's state unemployment rate.
73 The coordinating board shall evaluate, and if necessary, revise the
74 institutional performance measures every three years, or more
75 frequently, at the coordinating board's discretion.

76 6. The coordinating board for higher education shall promulgate
77 the institutional performance measures as administrative rules. Any
78 rule or portion of a rule, as that term is defined in section 536.010 that
79 is created under the authority delegated in this section shall become
80 effective only if it complies with and is subject to all of the provisions
81 of chapter 536, and, if applicable, section 536.028. This section and
82 chapter 536 are nonseverable and if any of the powers vested with the
83 general assembly pursuant to chapter 536, to review, to delay the
84 effective date, or to disapprove and annul a rule are subsequently held
85 unconstitutional, then the grant of rulemaking authority and any rule
86 proposed or adopted after the effective date of this section, shall be
87 invalid and void.

Section B. Because of the importance of establishing state funding
2 benchmarks for public institutions of higher education, section A of this act is
3 deemed necessary for the immediate preservation of the public health, welfare,
4 peace and safety, and is hereby declared to be an emergency act within the
5 meaning of the constitution, and section A of this act shall be in full force and

6 effect upon its passage and approval.

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Unofficial

Bill

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