

SENATE BILL NO. 585

101ST GENERAL ASSEMBLY

INTRODUCED BY SENATOR ESLINGER.

2738S.01H

ADRIANE D. CROUSE, Secretary

AN ACT

To amend chapter 173, RSMo, by adding thereto one new section relating to funding allocations for institutions of higher education.

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

Section A. Chapter 173, RSMo, is amended by adding thereto one new section, to be known as section 173.1542, to read as follows:

173.1542. 1. This section shall be known and may be cited as the "Rewarding Workforce Readiness in Institutions of Higher Education Act".

2. As used in this section, the following terms mean:

(1) "Department", the department of higher education and workforce development;

(2) "Federal high school threshold earnings", the U.S. Department of Education's high school threshold earnings as defined on the federal College Scorecard;

(3) "Four-year long-term access earnings ratio", the mean earnings of all of a state-funded four-year institution's four-year long-term target students divided by the federal high school threshold earnings;

(4) "Four-year long-term earnings ratio", the mean earnings of all of a state-funded four-year institution's four-year long-term students divided by the federal high school threshold earnings;

(5) "Four-year long-term student", any student who:

19 (a) Enrolled in a state-funded four-year institution
20 ten years prior;

21 (b) Is currently employed; and

22 (c) Is no longer a student at any institution of
23 higher education;

24 (6) "Four-year long-term target student", any student
25 who:

26 (a) Enrolled in a state-funded four-year institution
27 ten years prior;

28 (b) Is currently employed;

29 (c) Is no longer a student at any higher education
30 institution; and

31 (d) Is a member of the target population;

32 (7) "Four-year short-term access earnings ratio", the
33 mean earnings of all of a state-funded four-year
34 institution's four-year short-term target students divided
35 by the federal high school threshold earnings;

36 (8) "Four-year short-term earnings ratio", the mean
37 earnings of all of a state-funded four-year institution's
38 four-year short-term students divided by the federal high
39 school threshold earnings;

40 (9) "Four-year short-term student", any student who:

41 (a) Enrolled in a state-funded four-year institution
42 six years prior;

43 (b) Is currently employed; and

44 (c) Is no longer a student of any institution of
45 higher education;

46 (10) "Four-year short-term target student", any
47 student who:

48 (a) Enrolled in a state-funded four-year institution
49 six years prior;

50 (b) Is currently employed;

51 (c) Is no longer a student at any higher education
52 institution; and

53 (d) Is a member of the target population;

54 (11) "State-funded four-year institution", any higher
55 education entity that receives state funding and offers
56 bachelor's degrees;

57 (12) "State-funded two-year institution", any higher
58 education entity that receives state funding and offers no
59 degree higher than an associate's degree;

60 (13) "Target population", any student who has received
61 federal Pell Grant funding;

62 (14) "Two-year long-term access earnings ratio", the
63 mean earnings of all of a state-funded two-year
64 institution's two-year long-term target students divided by
65 the federal high school threshold earnings;

66 (15) "Two-year long-term earnings ratio", the mean
67 earnings of all of a state-funded two-year institution's two-
68 year long-term students divided by the federal high school
69 threshold earnings;

70 (16) "Two-year long-term student", any student who:

71 (a) Enrolled in a state-funded two-year institution
72 ten years prior;

73 (b) Is currently employed; and

74 (c) Is no longer a student at any institution of
75 higher education;

76 (17) "Two-year long-term target student", any student
77 who:

78 (a) Enrolled in a state-funded two-year institution
79 ten years prior;

80 (b) Is currently employed;

81 (c) Is no longer a student at any higher education
82 institution; and

83 (d) Is a member of the target population;

84 (18) "Two-year short-term access earnings ratio", the
85 mean earnings of all of a state-funded two-year
86 institution's two-year short-term target students divided by
87 the federal high school threshold earnings;

88 (19) "Two-year short-term earnings ratio", the mean
89 earnings of all of a state-funded two-year institution's two-
90 year short-term students divided by the federal high school
91 threshold earnings;

92 (20) "Two-year short-term student", any student who:

93 (a) Enrolled in a state-funded two-year institution
94 six years prior;

95 (b) Is currently employed; and

96 (c) Is no longer a student of any institution of
97 higher education;

98 (21) "Two-year short-term target student", any student
99 who:

100 (a) Enrolled in a state-funded two-year institution
101 six years prior;

102 (b) Is currently employed;

103 (c) Is no longer a student at any higher education
104 institution; and

105 (d) Is a member of the target population;

106 (22) "Undergraduate population percentage", a state-
107 funded four-year institution's full-time equivalent
108 undergraduate student enrollment as a percentage of full-
109 time equivalent student enrollment.

110 3. (1) The department shall determine the long-term
111 scaled base measure for each state-funded two-year
112 institution by:

113 (a) Subtracting one from that institution's two-year
114 long-term earnings ratio; and

115 (b) Multiplying the amount calculated in paragraph (a)
116 of this subdivision by one thousand.

117 (2) The department shall determine the short-term
118 scaled base measure for each state-funded two-year
119 institution by:

120 (a) Subtracting one from that institution's two-year
121 short-term earnings ratio; and

122 (b) Multiplying the amount calculated in paragraph (a)
123 of this subdivision by one thousand.

124 (3) The department shall determine the access long-
125 term scaled base measure for each state-funded two-year
126 institution by:

127 (a) Subtracting one from that institution's two-year
128 long-term access earnings ratio; and

129 (b) Multiplying the amount calculated in paragraph (a)
130 of this subdivision by one thousand.

131 (4) The department shall determine the access short-
132 term scaled base measure for each state-funded two-year
133 institution by:

134 (a) Subtracting one from that institution's two-year
135 short-term access earnings ratio; and

136 (b) Multiplying the amount calculated in paragraph (a)
137 of this subdivision by one thousand.

138 (5) The department shall determine the target
139 population enrollment scaled measure for each state-funded
140 two-year institution by determining the target population
141 enrollment for each state-funded two-year institution as a
142 percentage of total student enrollment and multiplying that
143 percentage by one thousand.

144 (6) The department shall determine each state-funded
145 two-year institution's rewarding workforce readiness score
146 by:

147 (a) Adding the long-term scaled base measure to the
148 access long-term scaled base measure and multiplying that
149 sum by the two-year long-term earnings ratio weighting
150 metric;

151 (b) Adding the number calculated in paragraph (a) of
152 this subdivision to the sum produced by adding the short-
153 term scaled base measure to the access short-term scaled
154 base measure and multiplying that sum by the two-year short-
155 term earnings ratio weighting metric; and

156 (c) Adding the number calculated in paragraph (b) of
157 this subdivision to the product of the target-population
158 enrollment scaled measure multiplied by the target-
159 population percentage weighting metric.

160 (7) The department shall determine each state-funded
161 two-year institution's enrollment-weighted score by
162 multiplying each institution's rewarding workforce readiness
163 score by that institution's full-time equivalent enrollment.

164 4. (1) The department shall determine the long-term
165 scaled base measure for each state-funded four-year
166 institution by:

167 (a) Subtracting one from that institution's four-year
168 long-term earnings ratio;

169 (b) Multiplying the amount calculated in paragraph (a)
170 of this subdivision by one thousand; and

171 (c) Multiplying the amount calculated in paragraph (b)
172 of this subdivision by that institution's undergraduate
173 population percentage.

174 (2) The department shall determine the short-term
175 scaled base measure for each state-funded four-year
176 institution by:

177 (a) Subtracting one from that institution's four-year
178 short-term earnings ratio;

179 (b) Multiplying the amount calculated in paragraph (a)
180 of this subdivision by one thousand; and

181 (c) Multiplying the amount calculated in paragraph (b)
182 of this subdivision by that institution's undergraduate
183 population percentage.

184 (3) The department shall determine the access long-
185 term scaled base measure for each state-funded four-year
186 institution by:

187 (a) Subtracting one from that institution's four-year
188 long-term access earnings ratio;

189 (b) Multiplying the amount calculated in paragraph (a)
190 of this subdivision by one thousand; and

191 (c) Multiplying the amount calculated in paragraph (b)
192 of this subdivision by that institution's undergraduate
193 population percentage.

194 (4) The department shall determine the access short-
195 term scaled base measure for each state-funded four-year
196 institution by:

197 (a) Subtracting one from that institution's four-year
198 short-term access earnings ratio;

199 (b) Multiplying the amount calculated in paragraph (a)
200 of this subdivision by one thousand; and

201 (c) Multiplying the amount calculated in paragraph (b)
202 of this subdivision by that institution's undergraduate
203 population percentage.

204 (5) The department shall determine the target
205 population enrollment scaled measure for each state-funded
206 four-year institution by determining the target population
207 enrollment for each state-funded four-year institution as a
208 percentage of total student enrollment and multiplying that
209 percentage by one thousand.

210 (6) The department shall determine each state-funded
211 four-year institution's rewarding workforce readiness score
212 by:

213 (a) Adding the long-term scaled base measure to the
214 access long-term scaled base measure and multiplying that
215 sum by the four-year long-term earnings ratio weighting
216 metric;

217 (b) Adding the number calculated in paragraph (a) of
218 this subdivision to the sum produced by adding the short-
219 term scaled base measure to the access short-term scaled
220 base measure and multiplying that sum by the four-year short-
221 term earnings ratio weighting metric; and

222 (c) Adding the number calculated in paragraph (b) of
223 this subdivision to the product of the target-population
224 enrollment scaled measure multiplied by the target-
225 population percentage weighting metric.

226 (7) The department shall determine each state-funded
227 four-year institution's enrollment-weighted score by
228 multiplying each institution's rewarding workforce readiness
229 score by that institution's full-time equivalent enrollment.

230 5. The department shall use the following weighting
231 metric for each of the following factors:

232 (1) For the two-year long-term earnings ratio and the
233 four-year long-term earnings ratio, three-tenths;

234 (2) For the two-year short-term earnings ratio and the
235 four-year short-term earnings ratio, three-tenths; and

236 (3) For the target-population percentage, four-tenths.

237 6. (1) The department shall determine each state-
238 funded two-year institution's allocation share of state
239 funding by dividing each institution's enrollment-weighted
240 score by the combined total of the enrollment-weighted
241 scores of all state-funded two-year institutions.

242 (2) The department shall determine each state-funded
243 four-year institution's allocation share of state funding by
244 dividing each institution's enrollment-weighted score by the
245 combined total of the enrollment-weighted scores of all
246 state-funded four-year institutions.

247 (3) The department shall allocate funding to state-
248 funded two-year institutions in accordance with the
249 following timetable:

250 (a) For years beginning on or before January 1, 2024,
251 one hundred percent of state funding shall be allocated
252 according to any allocation mechanism in place before
253 January 1, 2024;

254 (b) For years beginning on or before January 1, 2025,
255 fifty percent of state funding shall be allocated according
256 to each institution's allocation share as determined in this
257 subsection and fifty percent shall be allocated according to
258 any allocation mechanism in place before January 1, 2024; and

259 (c) In all years beginning on or after January 1,
260 2026, one hundred percent of state funding shall be
261 allocated according to each institution's allocation share
262 as determined in this subsection.

263 (4) The department shall allocate funding to state-
264 funded four-year institutions in accordance with the
265 following timetable:

266 (a) For the year beginning on January 1, 2024, one
267 hundred percent of state funding shall be allocated
268 according to any allocation mechanism in place before
269 January 1, 2024;

270 (b) For the year beginning on January 1, 2025, twenty
271 percent of state funding shall be allocated according to
272 each institution's allocation share as determined in this

273 subsection and eighty percent shall be allocated according
274 to any allocation mechanism in place before January 1, 2024;

275 (c) For the year beginning on January 1, 2026, forty
276 percent of state funding shall be allocated according to
277 each institution's allocation share as determined in this
278 subsection and sixty percent shall be allocated according to
279 any allocation mechanism in place before January 1, 2024;

280 (d) For the year beginning on January 1, 2027, sixty
281 percent of state funding shall be allocated according to
282 each institution's allocation share as determined in this
283 subsection and forty percent shall be allocated according to
284 any allocation mechanism in place before January 1, 2024; and

285 (e) In all years beginning on or after January 1,
286 2028, one hundred percent of state funding shall be
287 allocated according to each institution's allocation share
288 as determined in this subsection.

289 7. (1) The department may determine relevant earnings
290 data for any individual who is a resident of this state by
291 reference to such individual's unemployment insurance
292 earnings records.

293 (2) The department may determine relevant earnings
294 data for any individual who is not a resident of this state
295 by reference to such individual's records shared with the
296 state wage interchange system administered by the federal
297 government.

298 8. The department may promulgate all necessary rules
299 and regulations for the administration of this section. Any
300 rule or portion of a rule, as that term is defined in
301 section 536.010, that is created under the authority
302 delegated in this section shall become effective only if it
303 complies with and is subject to all of the provisions of
304 chapter 536 and, if applicable, section 536.028. This

305 section and chapter 536 are nonseverable and if any of the
306 powers vested with the general assembly pursuant to chapter
307 536 to review, to delay the effective date, or to disapprove
308 and annul a rule are subsequently held unconstitutional,
309 then the grant of rulemaking authority and any rule proposed
310 or adopted after August 28, 2021, shall be invalid and void.

311 9. The provisions of this section shall apply in all
312 years beginning on or after January 1, 2022.

✓