

FIRST REGULAR SESSION

SENATE BILL NO. 488

90TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR EHLMANN.

Read 1st time February 24, 1999, and 1,000 copies ordered printed.

TERRY L. SPIELER, Secretary.

S1607.051

AN ACT

To repeal sections 163.191, 178.780 and 178.870, RSMo 1994, relating to state aid to junior college districts, and to enact in lieu thereof four new sections relating to the same subject.

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

Section A. Sections 163.191, 178.780 and 178.870, RSMo 1994, are repealed and four new sections enacted in lieu thereof, to be known as sections 163.191, 178.780, 178.870 and 178.875, to read as follows:

163.191. 1. 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. Distribution of appropriated funds to community college districts shall be in accordance

EXPLANATION--Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

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] **state operating aid as provided pursuant to section 178.875, RSMo.** The department of higher education will be responsible for evaluating the effectiveness of the [resource allocation model] **state aid allocation pursuant to section 178.875, RSMo,** and will submit a report **on such effectiveness** to the speaker of the house of representatives and president pro tem of the senate by November [1997] **2000**, and every four years thereafter.

2. In addition to state funds received for operating purposes, each community college district shall be eligible to receive an annual appropriation for the cost of maintenance and repair of facilities and grounds, and purchases of equipment and furniture. Such funds shall not exceed in any year an amount equal to ten percent of the state 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. No part of the fifty percent commitment shall be used for salaries or portions of salaries.

3. School districts offering two-year college courses [under] **pursuant to section 178.370, RSMo,** on October 31, 1961, shall receive state aid [under subsections 1 and] **pursuant to section 178.875, RSMo, and subsection 2** of this section if all scholastic standards established [under and] pursuant to sections 178.770 to 178.890, RSMo, are met.

4. In order to make postsecondary educational opportunities available to Missouri residents who do not reside in an existing community college district, community colleges organized [under] **pursuant to** the provisions of section 178.370, RSMo, or sections 178.770 to 178.890, RSMo, shall be authorized [under] **pursuant to** the funding provisions of this section **and section 178.875, RSMo**, 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, RSMo, 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.

178.780. 1. Tax supported junior colleges formed prior to October 13, 1961, and those formed [under] **pursuant to** the provisions of sections 178.770 to 178.890 shall be under the supervision of the coordinating board for higher education.

2. The coordinating board for higher education shall:
 - (1) Establish the role of the two-year college in the state;
 - (2) Set up a survey form to be used for local surveys of need and potential for two-year colleges; provide supervision in the conducting of surveys; require that the results of the studies be used in reviewing applications for approval; and establish and use the survey results to set up priorities;
 - (3) Require that the initiative to establish two-year colleges come from the area to be served;
 - (4) Administer the state financial support program **pursuant to section 178.875**;

(5) Supervise the junior college districts formed [under] **pursuant to** the provisions of sections 178.770 to 178.890 and the junior colleges now in existence and formed prior to October 13, 1961;

(6) Formulate and put into effect uniform policies as to budgeting, record keeping, and student accounting;

(7) Establish uniform minimum entrance requirements and uniform curricular offerings for all junior colleges;

(8) Make a continuing study of junior college education in the state; and

(9) Be responsible for the accreditation of each junior college under its supervision. Accreditation shall be conducted annually or as often as deemed advisable and made in a manner consistent with rules and regulations established and applied uniformly to all junior colleges in the state. Standards for accreditation of junior colleges shall be formulated with due consideration given to curriculum offerings and entrance requirements of the University of Missouri.

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

2. In order to receive increases in state aid pursuant to section 178.875, a junior college district shall levy a tax of no less than ten cents per one hundred dollars assessed valuation.

178.875. 1. Junior college districts which meet the requirements of subsection 2 of section 178.870 shall be entitled to an amount computed as follows: a base amount

equal to sixty percent of the state appropriated aid to the district for the 1998-99 school year plus an amount determined by multiplying the district full-time equivalent enrollment by the guaranteed per full-time equivalent enrollment payment amount.

2. Each district's apportionment shall be the greater of:

(1) The district's entitlement pursuant to subsection 1 of this section; or

(2) The product of the district's full-time equivalent enrollment times the amount of state appropriated aid received per full-time equivalent enrolled student for the 1998-99 school year.

3. As used in this section, "guaranteed per full-time equivalent enrollment payment amount", shall mean the amount of aid available per full-time equivalent enrolled pupil for distribution pursuant to this section after base amounts have been distributed. As used in this section, "full-time equivalent" shall be based on fifteen credit hours per semester.

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