

SECOND REGULAR SESSION
[TRULY AGREED TO AND FINALLY PASSED]
CONFERENCE COMMITTEE SUBSTITUTE FOR
HOUSE COMMITTEE SUBSTITUTE FOR
SENATE COMMITTEE SUBSTITUTE FOR

SENATE BILL NO. 492

97TH GENERAL ASSEMBLY

2014

4393S.11T

AN ACT

To repeal sections 161.097, 163.191, 173.670, 173.1006, 178.638, 340.381, and 340.396, RSMo, and to enact in lieu thereof ten new sections relating to higher education.

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

Section A. Sections 161.097, 163.191, 173.670, 173.1006, 178.638, 340.381, 2 and 340.396, RSMo, are repealed and ten new sections enacted in lieu thereof, to 3 be known as sections 161.097, 163.191, 173.670, 173.675, 173.680, 173.1006, 4 173.1540, 178.638, 340.381, and 340.396, to read as follows:

161.097. 1. The state board of education shall establish standards and 2 procedures by which it will evaluate all teacher training institutions in this state 3 for the approval of teacher education programs. The state board of education 4 shall not require teacher training institutions to meet national or regional 5 accreditation as a part of its standards and procedures in making those 6 evaluations, but it may accept such accreditations in lieu of such approval if 7 standards and procedures set thereby are at least as stringent as those set by the 8 board. The state board of education's standards and procedures for evaluating 9 teacher training institutions shall equal or exceed those of national or regional 10 accrediting associations.

11 **2. There is hereby established within the department of**
12 **elementary and secondary education the "Missouri Advisory Board for**
13 **Educator Preparation", hereinafter referred to as "MABEP". The**
14 **MABEP shall advise the state board of education and the coordinating**
15 **board for higher education regarding matters of mutual interest in the**

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

16 **area of quality educator preparation programs in Missouri.**

17 **3.** Upon approval by the state board of education of the teacher education
18 program at a particular teacher training institution, any person who graduates
19 from that program, and who meets other requirements which the state board of
20 education shall prescribe by rule, regulation and statute shall be granted a
21 certificate or license to teach in the public schools of this state. However, no such
22 rule or regulation shall require that the program from which the person
23 graduates be accredited by any national or regional accreditation association.

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

28 **4. Any rule or portion of a rule, as that term is defined in section**
29 **536.010, that is created under the authority delegated in this section**
30 **shall become effective only if it complies with and is subject to all of**
31 **the provisions of chapter 536 and, if applicable, section 536.028. This**
32 **section and chapter 536 are nonseverable and if any of the powers**
33 **vested with the general assembly pursuant to chapter 536 to review, to**
34 **delay the effective date, or to disapprove and annul a rule are**
35 **subsequently held unconstitutional, then the grant of rulemaking**
36 **authority and any rule proposed or adopted after August 28, 2014, shall**
37 **be invalid and void.**

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

3 (1) "Community college", an institution of higher education
4 deriving financial resources from local, state, and federal sources, and
5 providing postsecondary education primarily for persons above the
6 twelfth grade age level, including courses in:

- 7 (a) Liberal arts and sciences, including general education;
8 (b) Occupational, vocational-technical; and
9 (c) A variety of educational community services.

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

13 (2) "Operating costs", all costs attributable to current operations,
14 including all direct costs of instruction, instructors' and counselors'
15 compensation, administrative costs, all normal operating costs and all
16 similar noncapital expenditures during any year, excluding costs of

17 **construction of facilities and the purchase of equipment, furniture, and**
18 **other capital items authorized and funded in accordance with**
19 **subsection 6 of this section. Operating costs shall be computed in**
20 **accordance with accounting methods and procedures to be specified by**
21 **the department of higher education;**

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

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

41 **3. (1) Except as provided in subdivision (2) of this subsection,**
42 distribution of appropriated funds to community college districts shall be in
43 accordance with the community college resource allocation model. This model
44 shall be developed and revised as appropriate cooperatively by the community
45 colleges and the department of higher education. The department of higher
46 education shall recommend the model to the coordinating board for higher
47 education for their approval. The core funding level for each community college
48 shall initially be established at an amount agreed upon by the community colleges
49 and the department of higher education. This amount will be adjusted annually
50 for inflation, limited growth, and program improvements in accordance with the
51 resource allocation model starting with fiscal year 1993. [The department of
52 higher education shall request new and separate state aid funds for any new
53 districts for their first six years of operation. The request for the new districts
54 shall be based upon the same level of funding being provided to the existing

55 districts, and should be sufficient to provide for the growth required to reach a
56 mature enrollment level.]

57 **(2) Unless the general assembly chooses to otherwise appropriate**
58 **state funding, beginning in fiscal year 2016, at least ninety percent of**
59 **any increase in core funding over the appropriated amount for the**
60 **previous fiscal year shall be distributed in accordance with the**
61 **achievement of performance-funding measures under section 173.1006.**

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

67 [2.] **5. The department of higher education shall request new and**
68 **separate state-aid funds for any new community college district for its**
69 **first six years of operation. The request for the new district shall be**
70 **based upon the same level of funding being provided to the existing**
71 **districts, and should be sufficient to provide for the growth required**
72 **to reach a mature enrollment level.**

73 6. In addition to state funds received for operating purposes, each
74 community college district shall be eligible to receive an annual appropriation,
75 exclusive of any capital appropriations, for the cost of maintenance and repair of
76 facilities and grounds, including surface parking areas, and purchases of
77 equipment and furniture. Such funds shall not exceed in any year an amount
78 equal to ten percent of the state appropriations, exclusive of any capital
79 appropriations, to community college districts for operating purposes during the
80 most recently completed fiscal year. The department of higher education may
81 include in its annual appropriations request the necessary funds to implement
82 the provisions of this subsection and when appropriated shall distribute the funds
83 to each community college district as appropriated. The department of higher
84 education appropriations request shall be for specific maintenance, repair, and
85 equipment projects at specific community college districts, shall be in an amount
86 of fifty percent of the cost of a given project as determined by the coordinating
87 board and shall be only for projects which have been approved by the coordinating
88 board through a process of application, evaluation, and approval as established
89 by the coordinating board. The coordinating board, as part of its process of
90 application, evaluation, and approval, shall require the community college district
91 to provide proof that the fifty-percent share of funding to be defrayed by the
92 district is either on hand or committed for maintenance, repair, and equipment

93 projects. Only salaries or portions of salaries paid which are directly related to
94 approved projects may be used as a part of the fifty-percent share of funding.

95 [3.] 7. School districts offering two-year college courses pursuant to
96 section 178.370 on October 31, 1961, shall receive state aid pursuant to
97 [subsections 1 and 2] **subsection 2, subdivision (1) of subsection 3, and**
98 **subsection 6** of this section if all scholastic standards established pursuant to
99 sections 178.770 to 178.890 are met.

100 [4.] 8. In order to make postsecondary educational opportunities
101 available to Missouri residents who do not reside in an existing community
102 college district, community colleges organized pursuant to section 178.370 or
103 sections 178.770 to 178.890 shall be authorized pursuant to the funding
104 provisions of this section to offer courses and programs outside the community
105 college district with prior approval by the coordinating board for higher
106 education. The classes conducted outside the district shall be self-sustaining
107 except that the coordinating board shall promulgate rules to reimburse selected
108 out-of-district instruction only where prior need has been established in
109 geographical areas designated by the coordinating board for higher education.
110 Funding for such off-campus instruction shall be included in the appropriation
111 recommendations, shall be determined by the general assembly and shall
112 continue, within the amounts appropriated therefor, unless the general assembly
113 disapproves the action by concurrent resolution.

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

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

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

123 [6.] 9. When distributing state aid authorized for community colleges, the
124 state treasurer may, in any year if requested by a community college, disregard
125 the provision in section 30.180 requiring the state treasurer to convert the
126 warrant requesting payment into a check or draft and wire transfer the amount
127 to be distributed to the community college directly to the community college's
128 designated deposit for credit to the community college's account.

173.670. 1. There is hereby established within the department of higher
2 education the "Missouri Science, Technology, Engineering and Mathematics

3 Initiative". The department of higher education may award matching funds
4 through this initiative to public institutions of higher education as part of the
5 annual appropriations process.

6 2. The purpose of the initiative shall be to provide support to increase
7 interest among elementary, secondary, and university students in fields of study
8 related to science, technology, engineering, and mathematics and to increase the
9 number of Missouri graduates in these fields at Missouri's public two- and
10 four-year institutions of higher education.

11 3. There is hereby created a "Science, Technology, Engineering and
12 Mathematics Fund", which shall consist of money collected under this
13 section. The state treasurer shall be custodian of the fund and may approve
14 disbursements from the fund in accordance with sections 30.170 and
15 30.180. Upon appropriation, money in the fund shall be used solely for the
16 administration of this section. Any moneys remaining in the fund at the end of
17 the biennium shall not revert to the credit of the general revenue fund. The state
18 treasurer shall invest moneys in the fund in the same manner as other funds are
19 invested. Any interest and moneys earned on such investments shall be credited
20 to the fund.

21 4. **As part of the initiative, the department of higher education**
22 **shall develop a process to award grants to Missouri public two- and**
23 **four-year institutions of higher education and school districts that have**
24 **entered into articulation agreements to offer information technology**
25 **certification through technical course work leading to postsecondary**
26 **academic credit through the program established in section 173.675.**

27 5. The general assembly may appropriate funds to the science, technology,
28 engineering, and mathematics fund to match institution funds to support the
29 following programs:

30 (1) Endowed teaching professor programs, which provide funds to support
31 faculty who teach undergraduate courses in science, technology, engineering, or
32 mathematics fields at public institutions of higher education;

33 (2) Scholarship programs, which provide financial aid or loan forgiveness
34 awards to Missouri students who study in the science, technology, engineering,
35 or mathematics fields or who plan to enter the teaching field in Missouri with an
36 emphasis on science, technology, engineering, and mathematics areas;

37 (3) Experiential youth programs at public colleges or universities,
38 designed to provide Missouri middle school, junior high, and high school students
39 with the opportunity to experience science, technology, engineering, and
40 mathematics fields through camps or other educational offerings;

41 (4) Career enhancement programs for current elementary and secondary
42 teachers and professors at Missouri public and private colleges and universities
43 in the science, technology, engineering, or mathematics fields to improve the
44 quality of teaching.

173.675. 1. The department of higher education shall develop a
2 program to offer information technology certification through technical
3 course work that leads to postsecondary academic credit. The program
4 shall be available to students enrolled in a public high school in
5 Missouri that has entered into an articulation agreement with a
6 Missouri public two- or four-year institution of higher education to
7 offer such course work. The program shall provide instruction on skills
8 and competencies essential for the workplace and requested by
9 employers and shall include the following components:

- 10 (1) A web-enabled online curriculum;
- 11 (2) Instructional software for classroom and student use;
- 12 (3) Training for teachers to advance technical education skills;
- 13 (4) Industry recognized skills certification; and
- 14 (5) Integration with existing education standards.

15 2. Any rule or portion of a rule, as that term is defined in section
16 536.010, that is created under the authority delegated in this section
17 shall become effective only if it complies with and is subject to all of
18 the provisions of chapter 536 and, if applicable, section 536.028. This
19 section and chapter 536 are nonseverable and if any of the powers
20 vested with the general assembly pursuant to chapter 536 to review, to
21 delay the effective date, or to disapprove and annul a rule are
22 subsequently held unconstitutional, then the grant of rulemaking
23 authority and any rule proposed or adopted after August 28, 2014, shall
24 be invalid and void.

173.680. 1. The department of higher education shall conduct a
2 study to identify the information technology industry certifications
3 most frequently requested by employers in Missouri. The department
4 of higher education may conduct the study with the assistance of other
5 state departments and agencies, the Missouri mathematics and science
6 coalition, and the governor's advisory council on science, technology,
7 engineering, and mathematical issues.

8 2. The department of higher education shall complete the study
9 no later than January 31, 2015. The department shall prepare the
10 findings in a report and provide it to:

- 11 (1) **The president pro tempore of the senate;**
- 12 (2) **The speaker of the house of representatives;**
- 13 (3) **The joint committee on education;**
- 14 (4) **The governor;**
- 15 (5) **The coordinating board for higher education; and**
- 16 (6) **The state board of education.**

173.1006. 1. [The following performance measures shall be established
2 by July 1, 2008:

3 (1) Two institutional measures as negotiated by each public institution
4 through the department of higher education; and

5 (2) Three statewide measures as developed by the department of higher
6 education in consultation with public institutions of higher education.

7 One such measure may be a sector-specific measure making use of the 2005
8 additional Carnegie categories, if deemed appropriate by the department of higher
9 education.

10 2. The department shall report to the joint committee on education
11 established in section 160.254 on its progress at least twice a year in developing
12 the statewide measures and negotiating the institution-specific measures and
13 shall develop a procedure for reporting the effects of performance measures to the
14 joint committee on education at an appropriate time for consideration during the
15 appropriations process.] **Each public four-year institution, each community
16 college, and the state technical college shall utilize the five
17 institutional performance measures it has submitted to, and that were
18 approved by, the coordinating board for higher education as of the
19 effective date of this act, for performance funding under sections
20 163.191, 173.1540, and 178.638. Each institution shall adopt, in
21 collaboration with the coordinating board for higher education, an
22 additional institutional performance measure to measure student job
23 placement in a field or position associated with the student's degree
24 level and pursuit of a graduate degree. The institutional performance
25 measure relating to job placement may not be used in any year in
26 which the state unemployment rate has increased from the previous
27 calendar year's state unemployment rate.**

28 2. **The coordinating board shall evaluate and, if necessary, revise
29 the institutional performance measures every three years beginning in
30 calendar year 2019 or more frequently at the coordinating board's
31 discretion.**

32 3. **The department of higher education shall be responsible for**

33 evaluating the effectiveness of the performance funding measures,
34 including their effect on statewide postsecondary, higher education,
35 and workforce goals, and shall submit a report to the governor, the
36 joint committee on education, the speaker of the house of
37 representatives and president pro tempore of the senate by October 31,
38 2019, and every four years thereafter.

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

7 2. Unless the general assembly chooses to otherwise appropriate
8 state funding, the appropriation of core-funding increases in state
9 funding to public four-year institutions of higher education shall be in
10 accordance with the increase allocation model, subject to the
11 parameters set forth in subsection 4 of this section. The increase
12 allocation model shall be developed and revised as appropriate
13 cooperatively by the public four-year institutions of higher education
14 and the department of higher education. The department of higher
15 education shall recommend the model to the coordinating board for
16 higher education for its approval by October 31, 2014.

17 3. The core-funding level for each public four-year institution of
18 higher education shall initially be the appropriated amount for each
19 institution for fiscal year 2015. Increases under subsection 4 of this
20 section shall be incorporated into the core-funding level annually in
21 accordance with the increase allocation model starting with fiscal year
22 2016.

23 4. (1) The increase allocation model shall comply with the
24 parameters of this subsection in allocating annual increases in core
25 appropriations to public four-year institutions of higher education.

26 (2) Unless otherwise provided by the general assembly during
27 the appropriations process, no more than ten percent of any increase
28 in core appropriations shall be distributed to address inequitable state
29 funding through any combination of the following:

30 (a) Determined on a per-student basis, as determined by
31 calculating full-time equivalency or on such other basis as determined
32 by the department and agreed upon by the institutions. To the extent

33 inequities result from an institution's performance on its performance
34 funding measures adopted under section 173.1006, such inequities shall
35 not be eligible for an allocation under this paragraph; and

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

39 (3) Unless otherwise provided by the general assembly during
40 the appropriations process, at least ninety percent of annual increases
41 shall be distributed in accordance with the performance funding model
42 adopted under section 173.1006.

43 5. The department of higher education shall be responsible for
44 evaluating the effectiveness of the increase allocation model and shall
45 submit a report to the governor, the joint committee on education, the
46 speaker of the house of representatives and the president pro tempore
47 of the senate by October 31, 2019, and every four years thereafter.

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

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

14 3. Unless the general assembly chooses to otherwise appropriate
15 state funding, beginning with fiscal year 2016, at least ninety percent
16 of any annual increase in core funding over the previous year shall be
17 distributed in accordance with the performance-funding measures
18 under section 173.1006.

340.381. 1. Sections 340.381 to 340.396 establish a student loan
2 forgiveness program for approved veterinary students who practice in areas of
3 defined need. Such program shall be known as the "Dr. Merrill Townley Large
4 Animal Veterinary Student Loan Program".

5 2. There is hereby created in the state treasury the "Veterinary Student

6 Loan Payment Fund", which shall consist of general revenue appropriated to the
7 large animal veterinary student loan program, voluntary contributions to support
8 or match program activities, money collected under section 340.396, and funds
9 received from the federal government. The state treasurer shall be custodian of
10 the fund and shall approve disbursements from the fund in accordance with
11 sections 30.170 and 30.180. Upon appropriation, money in the fund shall be used
12 solely for the administration of sections 340.381 to 340.396. Notwithstanding the
13 provisions of section 33.080 to the contrary, any moneys remaining in the fund
14 at the end of the biennium shall not revert to the credit of the general revenue
15 fund. The state treasurer shall invest moneys in the fund in the same manner
16 as other funds are invested. Any interest and moneys earned on such
17 investments shall be credited to the fund.

340.396. 1. Sections 340.381 to 340.396 shall not be construed to require
2 the department to enter into contracts with individuals who qualify for education
3 loans or loan repayment programs when federal, state, and local funds are not
4 available for such purposes.

5 2. Sections 340.381 to 340.396 shall not be subject to the provisions of
6 sections 23.250 to 23.298.

7 [3. Sections 340.381 to 340.396 shall expire on June 30, 2013.]

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