

## HCS SS SCS SB 590 -- HIGHER EDUCATION

SPONSOR: Nodler (Kingery)

COMMITTEE ACTION: Voted "do pass" by the Committee on Higher Education by a vote of 11 to 0.

This substitute changes the laws regarding higher education.

### POWERS OF THE COORDINATING BOARD OF HIGHER EDUCATION

The Commissioner of Higher Education is authorized to impose fines on public higher education institutions that willfully disregard board policies, not to exceed 1% of the institution's current fiscal year state appropriation. The funds will be withheld until the commissioner determines that the institution has corrected the violation. Every public higher education institution must submit to binding dispute resolution when disputes involve jurisdictional boundaries or the use or expenditure of any state resources. In all cases, the arbitrator will be the commissioner or a designee, whose decision will be binding on all parties. Any institution aggrieved by a decision may appeal it to the full coordinating board, which will make a final decision.

Currently, the coordinating board issues certificates of approval to operate in Missouri to certain out-of-state public higher education institutions that meet minimal standards. The substitute exempts the institutions from the current standards, revokes their certification, and requires recertification under standards substantially similar to the ones used for in-state public institutions as of July 1, 2009. The coordinating board must promulgate rules for the implementation of the standards by December 31, 2007.

### COORDINATED EDUCATIONAL PLANNING

The Commissioner of Higher Education, the chair of the Coordinating Board for Higher Education, the Commissioner of Education, the President of the State Board of Education, and the Director of the Department of Economic Development are required to meet and discuss ways in which their departments may collaborate to achieve an educational system that more adequately prepares students for the challenges of entering the workforce. The agencies will jointly make recommendations to the General Assembly and the Governor on policy initiatives.

### SPECIFIC HIGHER EDUCATION INSTITUTIONS

Currently, the University of Missouri annually requests an appropriation under capital improvements for a program of grants established for the engineering colleges of the university system which expires on June 30, 2007. The substitute will extend the

expiration date to June 30, 2017.

The governors of Missouri State University will serve six-year terms. The voting members of the board serving on August 28, 2005, will serve until the expiration of the terms for which they were appointed; and for those appointed after August 28, 2005, the terms of office will be established so that no more than three terms expire in any year.

#### STUDENT AID

The substitute establishes the following student aid programs:

- (1) A tuition grant for any member of the United States military, whether active duty, reserve, or national guard, who served on or after September 11, 2001, and is a citizen of Missouri, surviving spouses, and children;
- (2) A waiver of tuition and fees at state-funded colleges or universities for eligible foster children if they are Missouri residents; have graduated from high school or received a GED within the last three years; have been accepted for admission at a state-funded college or university; have applied for other student financial assistance; have been in foster care under the Department of Social Services on or after one of the dates specified in the substitute; complete community service or public internship as required under the substitute; and apply to the Coordinating Board for Higher Education; and
- (3) Up to 25 tuition grants for up to 50% of tuition costs, the actual cost of books up to \$500 per semester, and up to \$2,000 per semester for room and board for the surviving spouses and children of any member of the military who was killed in the line of duty and who was, at the time of enlistment and death, a citizen of Missouri.

The Department of Revenue will study the fiscal implications of providing a tax deduction for higher education tuition and fee expenses for those persons earning less than \$100,000 annually and report the findings to the General Assembly no later than January 1, 2007.

#### OTHER PROVISIONS

The assessed value thresholds for tax rates that may be imposed without voter approval by junior college districts are increased by \$250 million.

Currently, an appointee to the State Board of Education may not have any connection with a college or university. The substitute removes the restriction.

FISCAL NOTE: Estimated Cost on General Revenue Fund of \$331,721

to Unknown in FY 2007, \$348,571 to Unknown in FY 2008, and \$364,167 to Unknown in FY 2009. Subject to appropriation, unknown expected to exceed \$100,000. No impact on Other State Funds in FY 2007, FY 2008, and FY 2009.

PROPOSERS: Supporters say that the Coordinating Board has a rather limited range of powers. The bill provides some intermediate level options for dealing with institutions. The section on bringing higher education, economic development, and elementary and secondary education together on a regular basis will be very helpful in meeting everyone's needs, whether they are teachers, professors, or employers.

Testifying for the bill were Representative Kingery for Senator Nodler; Coordinating Board for Higher Education; Dr. Ken Dobbins, Southeast Missouri State University; Missouri State Teachers Association; and Greg Burriss, Missouri State University.

OPPOSERS: There was no opposition voiced to the committee.

OTHERS: Others testifying on the bill say it might be a good place to address some barriers for students that concern Missouri Higher Education Loan Authority's ability to originate loans for tutoring services.

Others testifying on the bill was Missouri Higher Education Loan Authority.

Becky DeNeve, Senior Legislative Analyst