

FIRST REGULAR SESSION

# HOUSE BILL NO. 1346

101ST GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVE HENDERSON.

2600H.011

DANA RADEMAN MILLER, Chief Clerk

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## AN ACT

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

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*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  
2 known as section 173.1542, to read as follows:

3 **173.1542. 1. This section shall be known and may be cited as the "Rewarding**  
4 **Workforce Readiness in Institutions of Higher Education Act".**

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

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

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

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

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

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

17 **(a) Enrolled in a state-funded four-year institution ten years prior;**

**(b) Is currently employed; and**

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

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

- 18           **(6) "Four-year long-term target student", any student who:**  
19           **(a) Enrolled in a state-funded four-year institution ten years prior;**  
20           **(b) Is currently employed;**  
21           **(c) Is no longer a student at any higher education institution; and**  
22           **(d) Is a member of the target population;**  
23           **(7) "Four-year short-term access earnings ratio", the mean earnings of all of a**  
24 **state-funded four-year institution's four-year short-term target students divided by the**  
25 **federal high school threshold earnings;**  
26           **(8) "Four-year short-term earnings ratio", the mean earnings of all of a state-**  
27 **funded four-year institution's four-year short-term students divided by the federal high**  
28 **school threshold earnings;**  
29           **(9) "Four-year short-term student", any student who:**  
30           **(a) Enrolled in a state-funded four-year institution six years prior;**  
31           **(b) Is currently employed; and**  
32           **(c) Is no longer a student of any institution of higher education;**  
33           **(10) "Four-year short-term target student", any student who:**  
34           **(a) Enrolled in a state-funded four-year institution six years prior;**  
35           **(b) Is currently employed;**  
36           **(c) Is no longer a student at any higher education institution; and**  
37           **(d) Is a member of the target population;**  
38           **(11) "State-funded four-year institution", any higher education entity that receives**  
39 **state funding and offers bachelor's degrees;**  
40           **(12) "State-funded two-year institution", any higher education entity that receives**  
41 **state funding and offers no degree higher than an associate's degree;**  
42           **(13) "Target population", any student who has received federal Pell Grant funding;**  
43           **(14) "Two-year long-term access earnings ratio", the mean earnings of all of a**  
44 **state-funded two-year institution's two-year long-term target students divided by the**  
45 **federal high school threshold earnings;**  
46           **(15) "Two-year long-term earnings ratio", the mean earnings of all of a state-**  
47 **funded two-year institution's two-year long-term students divided by the federal high**  
48 **school threshold earnings;**  
49           **(16) "Two-year long-term student", any student who:**  
50           **(a) Enrolled in a state-funded two-year institution ten years prior;**  
51           **(b) Is currently employed; and**  
52           **(c) Is no longer a student at any institution of higher education;**  
53           **(17) "Two-year long-term target student", any student who:**

- 54 (a) Enrolled in a state-funded two-year institution ten years prior;  
55 (b) Is currently employed;  
56 (c) Is no longer a student at any higher education institution; and  
57 (d) Is a member of the target population;
- 58 (18) "Two-year short-term access earnings ratio", the mean earnings of all of a  
59 state-funded two-year institution's two-year short-term target students divided by the  
60 federal high school threshold earnings;
- 61 (19) "Two-year short-term earnings ratio", the mean earnings of all of a state-  
62 funded two-year institution's two-year short-term students divided by the federal high  
63 school threshold earnings;
- 64 (20) "Two-year short-term student", any student who:  
65 (a) Enrolled in a state-funded two-year institution six years prior;  
66 (b) Is currently employed; and  
67 (c) Is no longer a student of any institution of higher education;
- 68 (21) "Two-year short-term target student", any student who:  
69 (a) Enrolled in a state-funded two-year institution six years prior;  
70 (b) Is currently employed;  
71 (c) Is no longer a student at any higher education institution; and  
72 (d) Is a member of the target population;
- 73 (22) "Undergraduate population percentage", a state-funded four-year institution's  
74 full-time equivalent undergraduate student enrollment as a percentage of full-time  
75 equivalent student enrollment.
- 76 3. (1) The department shall determine the long-term scaled base measure for each  
77 state-funded two-year institution by:  
78 (a) Subtracting one from that institution's two-year long-term earnings ratio; and  
79 (b) Multiplying the amount calculated in paragraph (a) of this subdivision by one  
80 thousand.
- 81 (2) The department shall determine the short-term scaled base measure for each  
82 state-funded two-year institution by:  
83 (a) Subtracting one from that institution's two-year short-term earnings ratio; and  
84 (b) Multiplying the amount calculated in paragraph (a) of this subdivision by one  
85 thousand.
- 86 (3) The department shall determine the access long-term scaled base measure for  
87 each state-funded two-year institution by:  
88 (a) Subtracting one from that institution's two-year long-term access earnings  
89 ratio; and

90           **(b) Multiplying the amount calculated in paragraph (a) of this subdivision by one**  
91 **thousand.**

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

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

96           **(b) Multiplying the amount calculated in paragraph (a) of this subdivision by one**  
97 **thousand.**

98           **(5) The department shall determine the target population enrollment scaled**  
99 **measure for each state-funded two-year institution by determining the target population**  
100 **enrollment for each state-funded two-year institution as a percentage of total student**  
101 **enrollment and multiplying that percentage by one thousand.**

102           **(6) The department shall determine each state-funded two-year institution's**  
103 **rewarding workforce readiness score by:**

104           **(a) Adding the long-term scaled base measure to the access long-term scaled base**  
105 **measure and multiplying that sum by the two-year long-term earnings ratio weighting**  
106 **metric;**

107           **(b) Adding the number calculated in paragraph (a) of this subdivision to the sum**  
108 **produced by adding the short-term scaled base measure to the access short-term scaled**  
109 **base measure and multiplying that sum by the two-year short-term earnings ratio**  
110 **weighting metric; and**

111           **(c) Adding the number calculated in paragraph (b) of this subdivision to the**  
112 **product of the target-population enrollment scaled measure multiplied by the target-**  
113 **population percentage weighting metric.**

114           **(7) The department shall determine each state-funded two-year institution's**  
115 **enrollment-weighted score by multiplying each institution's rewarding workforce readiness**  
116 **score by that institution's full-time equivalent enrollment.**

117           **4. (1) The department shall determine the long-term scaled base measure for each**  
118 **state-funded four-year institution by:**

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

120           **(b) Multiplying the amount calculated in paragraph (a) of this subdivision by one**  
121 **thousand; and**

122           **(c) Multiplying the amount calculated in paragraph (b) of this subdivision by that**  
123 **institution's undergraduate population percentage.**

124           **(2) The department shall determine the short-term scaled base measure for each**  
125 **state-funded four-year institution by:**

- 126           **(a) Subtracting one from that institution's four-year short-term earnings ratio;**  
127           **(b) Multiplying the amount calculated in paragraph (a) of this subdivision by one**  
128 **thousand; and**
- 129           **(c) Multiplying the amount calculated in paragraph (b) of this subdivision by that**  
130 **institution's undergraduate population percentage.**
- 131           **(3) The department shall determine the access long-term scaled base measure for**  
132 **each state-funded four-year institution by:**
- 133           **(a) Subtracting one from that institution's four-year long-term access earnings**  
134 **ratio;**
- 135           **(b) Multiplying the amount calculated in paragraph (a) of this subdivision by one**  
136 **thousand; and**
- 137           **(c) Multiplying the amount calculated in paragraph (b) of this subdivision by that**  
138 **institution's undergraduate population percentage.**
- 139           **(4) The department shall determine the access short-term scaled base measure for**  
140 **each state-funded four-year institution by:**
- 141           **(a) Subtracting one from that institution's four-year short-term access earnings**  
142 **ratio;**
- 143           **(b) Multiplying the amount calculated in paragraph (a) of this subdivision by one**  
144 **thousand; and**
- 145           **(c) Multiplying the amount calculated in paragraph (b) of this subdivision by that**  
146 **institution's undergraduate population percentage.**
- 147           **(5) The department shall determine the target population enrollment scaled**  
148 **measure for each state-funded four-year institution by determining the target population**  
149 **enrollment for each state-funded four-year institution as a percentage of total student**  
150 **enrollment and multiplying that percentage by one thousand.**
- 151           **(6) The department shall determine each state-funded four-year institution's**  
152 **rewarding workforce readiness score by:**
- 153           **(a) Adding the long-term scaled base measure to the access long-term scaled base**  
154 **measure and multiplying that sum by the four-year long-term earnings ratio weighting**  
155 **metric;**
- 156           **(b) Adding the number calculated in paragraph (a) of this subdivision to the sum**  
157 **produced by adding the short-term scaled base measure to the access short-term scaled**  
158 **base measure and multiplying that sum by the four-year short-term earnings ratio**  
159 **weighting metric; and**

160 (c) Adding the number calculated in paragraph (b) of this subdivision to the  
161 product of the target-population enrollment scaled measure multiplied by the target-  
162 population percentage weighting metric.

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

166 5. The department shall use the following weighting metric for each of the following  
167 factors:

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

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

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

173 6. (1) The department shall determine each state-funded two-year institution's  
174 allocation share of state funding by dividing each institution's enrollment-weighted score  
175 by the combined total of the enrollment-weighted scores of all state-funded two-year  
176 institutions.

177 (2) The department shall determine each state-funded four-year institution's  
178 allocation share of state funding by dividing each institution's enrollment-weighted score  
179 by the combined total of the enrollment-weighted scores of all state-funded four-year  
180 institutions.

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

183 (a) For the year beginning on January 1, 2024, one hundred percent of state  
184 funding shall be allocated according to any allocation mechanism in place before January  
185 1, 2024;

186 (b) For the year beginning on January 1, 2025, fifty percent of state funding shall  
187 be allocated according to each institution's allocation share as determined in this  
188 subsection and fifty percent shall be allocated according to any allocation mechanism in  
189 place before January 1, 2024; and

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

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

195 (a) For the year beginning on January 1, 2024, one hundred percent of state  
196 funding shall be allocated according to any allocation mechanism in place before January  
197 1, 2024;

198 (b) For the year beginning on January 1, 2025, twenty percent of state funding shall  
199 be allocated according to each institution's allocation share as determined in this  
200 subsection and eighty percent shall be allocated according to any allocation mechanism in  
201 place before January 1, 2024;

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

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

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

213 7. (1) The department may determine relevant earnings data for any individual  
214 who is a resident of this state by reference to such individual's unemployment insurance  
215 earnings records.

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

219 8. The department may promulgate all necessary rules and regulations for the  
220 administration of this section. Any rule or portion of a rule, as that term is defined in  
221 section 536.010, that is created under the authority delegated in this section shall become  
222 effective only if it complies with and is subject to all of the provisions of chapter 536 and,  
223 if applicable, section 536.028. This section and chapter 536 are nonseverable, and if any  
224 of the powers vested with the general assembly pursuant to chapter 536 to review, to delay  
225 the effective date, or to disapprove and annul a rule are subsequently held  
226 unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted  
227 after August 28, 2021, shall be invalid and void.

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

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