

HB 1865 -- HIGHER EDUCATION

SPONSOR: Bearden

COMMITTEE ACTION: Voted "do pass" by the Special Committee on Student Achievement and Finance by a vote of 5 to 3.

This bill revises the laws regarding several student assistance programs and makes changes to appropriations and oversight for public higher education based on student assistance and institutional performance.

The Access Missouri Scholarship Program is established to provide assistance to college freshmen who are not eligible for the A+ Program or have chosen institutions not covered by the A+ Program. The maximum award will be \$1,000, phased in over four years. The new program, as well as the Gallagher, Guarantee, and Bright Flight programs, has a 2.5 grade point average requirement for renewal. The 2.5 initial qualifying grade point average and extracurricular activity for the Guarantee Program are eliminated. Obsolete language is deleted, and the Gallagher Program's criminal background disqualifications are changed to be the same as those in the Guarantee Program.

The bill sets the 2001 fiscal year's operating appropriation as a starting point for a change in the way appropriations are made. Once the 2001 level is achieved, appropriations will be directed toward student assistance programs rather than institutional aid, until the main assistance programs are fully funded. At 75% and 100% of full assistance funding, the General Assembly may consider resetting appropriations levels. Five major performance measures will be developed by the Department of Higher Education in conjunction with higher education institutions. Institutions will enter into performance contracts for up to five years.

Beginning July 1, 2007, the Coordinating Board for Higher Education will be responsible for several aspects of education delivery, including areas where the cost of services may not be met by tuition, through annual fee-for-services contracts with public and private institutions.

A 14-member Joint Committee on Higher Education is established to disseminate the data from the contracts and changes in the assistance programs.

FISCAL NOTE: Estimated Cost on General Revenue Fund of \$3,077,178 to Unknown in FY 2007, \$5,846,533 to Unknown in FY 2008, and \$8,840,822 to Unknown in FY 2009. No impact on Other State Funds in FY 2007, FY 2008, and FY 2009.

PROPONENTS: Supporters say that the bill puts the focus of funding on students, rather than institutions, and involves institutions in setting a few key goals for performance funding.

It offers access and more consistency across aid programs and provides a feedback mechanism to get higher education data back to the legislature, giving higher education issues a higher profile.

Testifying for the bill was Representative Bearden.

OPPONENTS: There was no opposition voiced to the committee.

OTHERS: Others testifying on the bill say that not knowing how long it will take before scholarships are fully funded puts the institutions in an awkward position. It could take as long as five years just to get back to the 2001 level to start the whole process. It may ultimately shift funding from public four-year schools to other educational sectors.

Others testifying on the bill were University of Missouri System; Missouri State University; and Associated Students of the University of Missouri.

Becky DeNeve, Senior Legislative Analyst