

HB 1865 -- HIGHER EDUCATION (Bearden)

COMMITTEE OF ORIGIN: Special Committee on Student Achievement and Finance

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. 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 2002 fiscal year's operating appropriation as a starting point for a change in the way appropriations are made. Once the 2002 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. Institutions may receive increases of up to 2.5% of their previous year's appropriation during the phase-in of full assistance funding, and once 100% funding is achieved, the cap will be lifted. Any effort through appropriations to consolidate specified student assistance programs will require a companion bill to make the appropriate changes in law, rather than zeroing-out an appropriation to eliminate a program. 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. A tuition and student fee increase limitation based on the federal Consumer Price Index for state four-year institutions is imposed.

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

\$10,134,069 to Unknown in FY 2007, \$10,650,273 to Unknown in FY 2008, and \$11,175,288 to Unknown in FY 2009. Subject to appropriation. No impact on Other State Funds in FY 2007, FY 2008, and FY 2009.