

## HB 1390 -- FUNDING FOR HIGHER EDUCATION INSTITUTIONS

SPONSOR: Thomson

COMMITTEE ACTION: Voted "Do Pass" by the Committee on Higher Education by a vote of 13 to 0.

This bill establishes procedures for directing the allocation of additional core funding over the Fiscal Year 2015 level for public higher education institutions.

### COMMUNITY COLLEGES (Section 163.191, RSMo)

In addition to technical changes, the bill requires that beginning in Fiscal Year 2016, at least 90% of any increase in core funding over the appropriated amount for the previous fiscal year must be distributed in accordance with the achievement of performance-funding measures under Section 173.1006. The bill adds the Governor and the Joint Committee on Education to those to whom the Department of Higher Education must submit a report evaluating the effectiveness of the resource allocation model by October 31, 2019, and every four years thereafter.

### PERFORMANCE MEASURES (Section 173.1006)

The bill replaces provisions regarding performance measures with the performance measures that have been developed subsequently. The Coordinating Board for Higher Education has adopted five institutional performance measures for each institution. The board must evaluate and revise, if necessary, the measures every three years beginning in 2019 or more frequently at the board's discretion and the Department of Higher Education must evaluate the measures' effect on postsecondary and higher education goals and workforce goals and submit a report to the Governor, Joint Committee on Education, Speaker of the House of Representatives, and President Pro Tem of the Senate by October 31, 2019, and every four years thereafter.

### FOUR-YEAR INSTITUTIONS OF HIGHER EDUCATION (Section 173.1540)

Each year, a public four-year higher education institution must prepare a budget request that is submitted to the Department of Higher Education for review and recommendations for appropriations. Each four-year institution must cooperatively develop and revise an increase allocation model which the department must recommend to the Coordinating Board for Higher Education for approval by October 31, 2014. The core funding base level will be Fiscal Year 2015, and increases must be incorporated into the base starting with Fiscal Year 2016. At least 90% of any increase over the base year

will be distributed on the basis of performance measures. No more than 10% of any increase over the base can be distributed through any combination of full-time equivalency or other agreed-upon basis to address inequity and weighted full-time equivalent credit hours to provide enrollment, program offerings, and mission sensitivity on an on-going basis. The department must submit, by October 31, 2019, and every four years thereafter, a report to the Governor, Joint Committee on Education, Speaker of the House of Representatives, and President of the Senate evaluating the effectiveness of the increase allocation model.

#### STATE TECHNICAL COLLEGE OF MISSOURI (Section 178.638)

The bill specifies that at least 90% of any annual increase in core funding over the previous year must also be distributed to the State Technical College of Missouri in accordance with the performance-funding measures starting in Fiscal Year 2016.

**PROPONENTS:** Supporters say that the bill involves only new money based on performance standards already in place and covering all educational sectors. It does not calculate how much to appropriate; it guides the distribution of what new money is appropriated.

Testifying for the bill were Representative Thomson; Paul Wagner, Council on Public Higher Education; Don Claycomb, President, Linn State Technical College; Leroy Wade, Department of Higher Education; University of Central Missouri; Missouri Southern State University; Missouri Western State University; Northwest Missouri State University; and Missouri State University.

**OPPONENTS:** There was no opposition voiced to the committee.

**OTHERS:** Others testifying say that the bill represents a pragmatic solution to a problem.

Testifying for informational purposes only was Missouri Community College Association.