

SECOND REGULAR SESSION
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 2742
98TH GENERAL ASSEMBLY

6851H.02C

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal section 173.005, RSMo, and to enact in lieu thereof one new section relating to the coordinating board for higher education, with an emergency clause.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Section 173.005, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 173.005, to read as follows:

173.005. 1. There is hereby created a "Department of Higher Education", and the division of higher education of the department of education is abolished and all its powers, duties, functions, personnel and property are transferred as provided by the Reorganization Act of 1974, Appendix B, RSMo.

2. The commission on higher education is abolished and all its powers, duties, personnel and property are transferred by type I transfer to the "Coordinating Board for Higher Education", which is hereby created, and the coordinating board shall be the head of the department. The coordinating board shall consist of nine members appointed by the governor with the advice and consent of the senate, and not more than five of its members shall be of the same political party. None of the members shall be engaged professionally as an educator or educational administrator with a public or private institution of higher education at the time appointed or during his term. Moreover, no person shall be appointed to the coordinating board who shall not be a citizen of the United States, and who shall not have been a resident of the state of Missouri two years next prior to appointment, and at least one but not more than two persons shall be appointed to said board from each congressional district. The term of service of a member of the coordinating board shall be six years and said members, while attending the meetings of the board, shall be reimbursed for their actual expenses. Notwithstanding any provision of law to the contrary, nothing in this section relating to a change in the composition and configuration of congressional

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.

19 districts in this state shall prohibit a member who is serving a term on August 28, 2011, from
20 completing his or her term. The coordinating board may, in order to carry out the duties
21 prescribed for it in subsections 1, 2, 3, 7, and 8 of this section, employ such professional, clerical
22 and research personnel as may be necessary to assist it in performing those duties, but this staff
23 shall not, in any fiscal year, exceed twenty-five full-time equivalent employees regardless of the
24 source of funding. In addition to all other powers, duties and functions transferred to it, the
25 coordinating board for higher education shall have the following duties and responsibilities:

26 (1) The coordinating board for higher education shall have approval of proposed new
27 degree programs to be offered by the state institutions of higher education;

28 (2) The coordinating board for higher education may promote and encourage the
29 development of cooperative agreements between Missouri public four-year institutions of higher
30 education which do not offer graduate degrees and Missouri public four-year institutions of
31 higher education which do offer graduate degrees for the purpose of offering graduate degree
32 programs on campuses of those public four-year institutions of higher education which do not
33 otherwise offer graduate degrees. Such agreements shall identify the obligations and duties of
34 the parties, including assignment of administrative responsibility. Any diploma awarded for
35 graduate degrees under such a cooperative agreement shall include the names of both institutions
36 inscribed thereon. Any cooperative agreement in place as of August 28, 2003, shall require no
37 further approval from the coordinating board for higher education. Any costs incurred with
38 respect to the administrative provisions of this subdivision may be paid from state funds
39 allocated to the institution assigned the administrative authority for the program. The provisions
40 of this subdivision shall not be construed to invalidate the provisions of subdivision (1) of this
41 subsection;

42 (3) In consultation with the heads of the institutions of higher education affected and
43 against a background of carefully collected data on enrollment, physical facilities, manpower
44 needs, institutional missions, the coordinating board for higher education shall establish
45 guidelines for appropriation requests by those institutions of higher education; however, other
46 provisions of the Reorganization Act of 1974 notwithstanding, all funds shall be appropriated
47 by the general assembly to the governing board of each public four-year institution of higher
48 education which shall prepare expenditure budgets for the institution;

49 (4) No new state-supported senior colleges or residence centers shall be established
50 except as provided by law and with approval of the coordinating board for higher education;

51 (5) The coordinating board for higher education shall establish admission guidelines
52 consistent with institutional missions;

53 (6) The coordinating board for higher education shall require all public two-year and
54 four-year higher education institutions to replicate best practices in remediation identified by the

55 coordinating board and institutions from research undertaken by regional educational
56 laboratories, higher education research organizations, and similar organizations with expertise
57 in the subject, and identify and reduce methods that have been found to be ineffective in
58 preparing or retaining students or that delay students from enrollment in college-level courses;

59 (7) The coordinating board shall establish policies and procedures for institutional
60 decisions relating to the residence status of students;

61 (8) The coordinating board shall establish guidelines to promote and facilitate the
62 transfer of students between institutions of higher education within the state and, with the
63 assistance of the committee on transfer and articulation, shall require all public two-year and
64 four-year higher education institutions to create by July 1, 2014, a statewide core transfer library
65 of at least twenty-five lower division courses across all institutions that are transferable among
66 all public higher education institutions. The coordinating board shall establish policies and
67 procedures to ensure such courses are accepted in transfer among public institutions and treated
68 as equivalent to similar courses at the receiving institutions. The coordinating board shall
69 develop a policy to foster reverse transfer for any student who has accumulated enough hours in
70 combination with at least one public higher education institution in Missouri that offers an
71 associate degree and one public four-year higher education institution in the prescribed courses
72 sufficient to meet the public higher education institution's requirements to be awarded an
73 associate degree. The department of elementary and secondary education shall maintain the
74 alignment of the assessments found in section 160.518 and successor assessments with the
75 competencies previously established under this subdivision for entry-level collegiate courses in
76 English, mathematics, foreign language, sciences, and social sciences associated with an
77 institution's general education core;

78 (9) The coordinating board shall collect the necessary information and develop
79 comparable data for all institutions of higher education in the state. The coordinating board shall
80 use this information to delineate the areas of competence of each of these institutions and for any
81 other purposes deemed appropriate by the coordinating board;

82 (10) Compliance with requests from the coordinating board for institutional information
83 and the other powers, duties and responsibilities, herein assigned to the coordinating board, shall
84 be a prerequisite to the receipt of any funds which the coordinating board is responsible for
85 administering;

86 (11) If any institution of higher education in this state, public or private, willfully fails
87 or refuses to follow any lawful guideline, policy or procedure established or prescribed by the
88 coordinating board, or knowingly deviates from any such guideline, or knowingly acts without
89 coordinating board approval where such approval is required, or willfully fails to comply with
90 any other lawful order of the coordinating board, the coordinating board may, after a public

91 hearing, withhold or direct to be withheld from that institution any funds the disbursement of
92 which is subject to the control of the coordinating board, or may remove the approval of the
93 institution as an approved institution within the meaning of section 173.1102. If any such public
94 institution willfully disregards board policy, the commissioner of higher education may order
95 such institution to remit a fine in an amount not to exceed one percent of the institution's current
96 fiscal year state operating appropriation to the board. The board shall hold such funds until such
97 time that the institution, as determined by the commissioner of higher education, corrects the
98 violation, at which time the board shall refund such amount to the institution. If the
99 commissioner determines that the institution has not redressed the violation within one year, the
100 fine amount shall be deposited into the general revenue fund, unless the institution appeals such
101 decision to the full coordinating board, which shall have the authority to make a binding and
102 final decision, by means of a majority vote, regarding the matter. However, nothing in this
103 section shall prevent any institution of higher education in this state from presenting additional
104 budget requests or from explaining or further clarifying its budget requests to the governor or the
105 general assembly; [and]

106 **(12) In recognition that any institution meeting the requirements of subdivisions**
107 **(2), (3), or (4) of subsection 1 of section 173.616 is established by name as an educational**
108 **institution in Missouri and is authorized to operate programs beyond secondary education**
109 **for purposes of authorization under 34 C.F.R. 600.9, the coordinating board for higher**
110 **education shall maintain and publish on its website a list of post-secondary educational**
111 **institutions meeting such requirements; and**

112 **(13)** (a) As used in this subdivision, the term "out-of-state public institution of higher
113 education" shall mean an education institution located outside of Missouri that:

114 a. Is controlled or administered directly by a public agency or political subdivision or is
115 classified as a public institution by the state;

116 b. Receives appropriations for operating expenses directly or indirectly from a state other
117 than Missouri;

118 c. Provides a postsecondary course of instruction at least six months in length leading
119 to or directly creditable toward a degree or certificate;

120 d. Meets the standards for accreditation by an accrediting body recognized by the United
121 States Department of Education or any successor agency; and

122 e. Permits faculty members to select textbooks without influence or pressure by any
123 religious or sectarian source.

124 (b) No later than July 1, 2008, the coordinating board shall promulgate rules regarding:

125 a. The board's approval process of proposed new degree programs and course offerings
126 by any out-of-state public institution of higher education seeking to offer degree programs or
127 course work within the state of Missouri; and

128 b. The board's approval process of degree programs and courses offered by any
129 out-of-state public institutions of higher education that, prior to July 1, 2008, were approved by
130 the board to operate a school in compliance with the provisions of sections 173.600 to 173.618.
131 The rules shall ensure that, as of July 1, 2008, all out-of-state public institutions seeking to offer
132 degrees and courses within the state of Missouri are evaluated in a manner similar to Missouri
133 public higher education institutions. Such out-of-state public institutions shall be held to
134 standards no lower than the standards established by the coordinating board for program approval
135 and the policy guidelines of the coordinating board for data collection, cooperation, and
136 resolution of disputes between Missouri institutions of higher education under this section. Any
137 such out-of-state public institutions of higher education wishing to continue operating within this
138 state must be approved by the board under the rules promulgated under this subdivision. The
139 coordinating board may charge and collect fees from out-of-state public institutions to cover the
140 costs of reviewing and assuring the quality of programs offered by out-of-state public
141 institutions. Any rule or portion of a rule, as that term is defined in section 536.010, that is
142 created under the authority delegated in this section shall become effective only if it complies
143 with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028.
144 This section and chapter 536 are nonseverable and if any of the powers vested with the general
145 assembly under chapter 536 to review, to delay the effective date, or to disapprove and annul a
146 rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule
147 proposed or adopted after August 28, 2007, shall be invalid and void.

148 (c) Nothing in this subdivision or in section 173.616 shall be construed or interpreted
149 so that students attending an out-of-state public institution are considered to be attending a
150 Missouri public institution of higher education for purposes of obtaining student financial
151 assistance.

152 3. The coordinating board shall meet at least four times annually with an advisory
153 committee who shall be notified in advance of such meetings. The coordinating board shall have
154 exclusive voting privileges. The advisory committee shall consist of thirty-two members, who
155 shall be the president or other chief administrative officer of the University of Missouri; the
156 chancellor of each campus of the University of Missouri; the president of each state-supported
157 four-year college or university, including Harris-Stowe State University, Missouri Southern State
158 University, Missouri Western State University, and Lincoln University; the president of State
159 Technical College of Missouri; the president or chancellor of each public community college
160 district; and representatives of each of five accredited private institutions selected biennially,

under the supervision of the coordinating board, by the presidents of all of the state's privately supported institutions; but always to include at least one representative from one privately supported community college, one privately supported four-year college, and one privately supported university. The conferences shall enable the committee to advise the coordinating board of the views of the institutions on matters within the purview of the coordinating board.

4. The University of Missouri, Lincoln University, and all other state-governed colleges and universities, chapters 172, 174, 175, and others, are transferred by type III transfers to the department of higher education subject to the provisions of subsection 2 of this section.

5. The state historical society, chapter 183, is transferred by type III transfer to the University of Missouri.

6. The state anatomical board, chapter 194, is transferred by type II transfer to the department of higher education.

7. All the powers, duties and functions vested in the division of public schools and state board of education relating to community college state aid and the supervision, formation of districts and all matters otherwise related to the state's relations with community college districts and matters pertaining to community colleges in public school districts, chapters 163, 178, and others, are transferred to the coordinating board for higher education by type I transfer. Provided, however, that all responsibility for administering the federal-state programs of vocational-technical education, except for the 1202a postsecondary educational amendments of 1972 program, shall remain with the department of elementary and secondary education. The department of elementary and secondary education and the coordinating board for higher education shall cooperate in developing the various plans for vocational-technical education; however, the ultimate responsibility will remain with the state board of education.

8. All the powers, duties, functions, and properties of the state poultry experiment station, chapter 262, are transferred by type I transfer to the University of Missouri, and the state poultry association and state poultry board are abolished. In the event the University of Missouri shall cease to use the real estate of the poultry experiment station for the purposes of research or shall declare the same surplus, all real estate shall revert to the governor of the state of Missouri and shall not be disposed of without legislative approval.

Section B. Because of the importance of improving and sustaining the access to federal financial aid for higher education students in Missouri, the repeal and reenactment of section 173.005 of section A of this act is deemed necessary for the immediate preservation of the public health, welfare, peace, and safety, and is hereby declared to be an emergency act within the meaning of the constitution, and the repeal and reenactment of section 173.005 of section A of this act shall be in full force and effect upon its passage and approval.

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