

FIRST REGULAR SESSION

# HOUSE BILL NO. 1346

## 101ST GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE HENDERSON.

2600H.011

DANA RADEMAN MILLER, Chief Clerk

### AN ACT

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

*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 known as section 173.1542, to read as follows:

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

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

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

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

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

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

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

**(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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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