

HCS HB 2905 -- FUNDING FOR HIGHER EDUCATION

SPONSOR: Shields

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Standing Committee on Higher Education by a vote of 7 to 1. Voted "Do Pass" by the Standing Committee on Rules- Regulatory Oversight by a vote of 10 to 0.

The following is a summary of the House Committee Substitute for HB 2905.

The bill requires the Department of Higher Education and Workforce Development (DHEWD) in consultation with public institutions of higher education to develop a funding model for higher education public institutions.

The funding model will provide a level of stable, sustainable resources, be based on the 2023 study commissioned by the Department, include a process for allocation of core appropriations, and include a performance component designed to enhance student success and efficient operations.

The Department will establish a plan for the testing and implementation of the funding model to be approved by the Coordinating Board for Higher Education and submit the plan to the Governor and General Assembly before January 2025. A report on the effectiveness of the model test shall be submitted to the Speaker of the House, President Pro Tem of the Senate and the Governor before November 1, 2025.

The funding model must be approved by the board before January 1, 2026 and must be approved by the General Assembly by concurrent resolution. Beginning in the 2027-28 fiscal year if approved the funding model will be used for appropriating funding for public institutions of higher education.

The following is a summary of the public testimony from the committee hearing. The testimony was based on the introduced version of the bill.

PROPOSERS: Supporters say that this bill will authorize DHEWD to work with the institutions of higher education and community colleges to create a less subjective model for financing such institutions and colleges. This language provides for timelines with anticipation of a working model to be used for testing purposes before full implementation. There are 18 other states with similar performance funding models and the focus should be on using the best parts of those. Previous models have had

performance criteria but were not used by previous legislations to disburse funding.

Testifying in person for the bill were Representative Shields; Charles R. Brazeale, University of Missouri Flagship Council; Council on Public Higher Education; and University of Missouri System.

OPPONENTS: There was no opposition voiced to the committee.

OTHERS: Others testifying on the bill say that this is a starting point built around a cost-based approach with three pillars. The fixed costs provided on a "frugal" base, institutional programs and student makeup, and performance. There are several aspects that must be worked on in a transparent manner with the institutions.

Testifying in person on the bill was Leroy Wade, DHEWD .

Written testimony has been submitted for this bill. The full written testimony and witnesses testifying online can be found under Testimony on the bill page on the House website.