

HCS HB 2123 -- HIGHER EDUCATION WORKFORCE POLICY PRIORITIZATION

SPONSOR: Black

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Standing Committee on Higher Education and Workforce Development by a vote of 9 to 0 with 3 members voting present.

The following is a summary of the House Committee Substitute for HB 2123.

This bill modifies the "Higher Education Academic Scholarship Program" to increase the scholarship award beginning in the 2027-28 academic year from \$3,000 to \$5,000 a semester or the cost of tuition, whichever is less for the student's first four semesters. An approved institution must not use an eligible student's receipt of an academic scholarship under this subsection to supplant any other existing financial aid award that was offered by such institution in the 2025-26 academic year for which the student would otherwise be eligible.

A student currently enrolled in an eligible program may renew for an additional six semesters if they are enrolled in an "eligible program of study" as defined under Section 173.2553, RSMo.

The bill creates the "Missouri Higher Education Workforce Policy Prioritization Act" and 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, align funding to develop educated persons to meet the professional and workforce needs, be based on the 2024 house special interim committee on higher education funding and include the findings of 2023 study commissioned by the Department, include a process for allocation of core appropriations, use a cost-based approach to funding, and include a performance component designed to enhance student success and efficient operations.

The model will clearly specify institutional actions that will support additional performance or workforce appropriations.

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, as specified in the

bill, and submit the plan to the Governor and General Assembly before August 31, 2026.

A report on the effectiveness of the model test must be submitted to the Speaker of the House, President Pro Tem of the Senate and the Governor before October 15th, 2026. The funding model must be approved by the Board before November 1, 2026 and must be approved by the General Assembly by concurrent resolution.

Beginning in the 2028-29 fiscal year, if approved, the funding model will be used for appropriating funding for public institutions of higher education and any appropriation of state funding to such institution for the 2028-29 fiscal year will not be less than the appropriation received by that institution for the previous fiscal year.

This bill is similar to HB 1569 (2025).

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

PROPONENTS: Supporters say that this bill is in two parts with part one being a raise to the Bright Flight scholarship with an effort to retain some of Missouri's brightest students. Currently, states like Arkansas offer \$10,000 for similar scores and this will hopefully level the playing field for these students. The second part of the bill is to put into statute a funding mechanism for higher education. The current base plus model is not working as intended and today's economy is different than that of the 90's. Thirty other states use performance based funding. The Department is currently working on the performance funding and this would not duplicate that effort.

Testifying in person for the bill were Representative Black; Missouri Community College Association ; Leah Strid; and Council on Public Higher Education.

OPPONENTS: There was no opposition voiced to the committee.

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.