HCS SS SB 1196 -- HIGHER EDUCATION

SPONSOR: Henderson

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Standing Committee on Higher Education and Workforce Development by a vote of 12 to 1. Voted "Do Pass" by the Standing Committee on Rules-Administrative by a vote of 8 to 1.

The following is a summary of the House Committee Substitute for SB 1196.

WORKFORCE DIPLOMA (Section 173.831)

Currently, the Workforce Diploma Program is set to expire in 2028. This bill removes the sunset for this program.

MISSOURI HIGHER EDUCATION WORKFORCE POLICY PRIORITIZATION (Section 173.1541)

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 public institutions of higher education.

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 DHEWD, 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 DHEWD 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 October 15th, 2026.

The DHWED will also submit a report on the effectiveness of the funding model test to the Speaker of the House of Representatives, the President Pro Tem of the Senate and the

Governor before November 15th, 2026. The funding model must be approved by the Board before December 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 an institution for the 2028-29 fiscal year will not be less than the appropriation received by that institution for the previous fiscal year unless the appropriations for all institutions described in this bill are reduced proportionately.

FAST TRACK WORKFORCE INCENTIVE GRANT (Section 173.2553)

This bill increases the maximum gross income for eligibility for the Fast Track Workforce Incentive Grant from $80,000 to $100,000 for taxpayers who are married filing jointly and from $40,000 to $50,000 for all other taxpayers. The bill modifies the definition of "eligible training provider" to require that organizations have legally operated in Missouri for no less than 12 consecutive months.

WORKFORCE PELL GRANTS (173.2573, 620.511 to 620.514

This bill allows the Governor, in consultation with the Board, to approve all eligible workforce training programs for participation in the workforce Pell grant program. The Board must coordinate approval of eligible workforce training programs with other state and federal workforce programs. The bill transfers the Board from the Department of Economic Development to the Department of Higher Education and Workforce Development with a statute transfer for Sections 620.511 to 620.514 to Sections 173.2570 to 173.2573.

EMERGENCY CLAUSE (Section 173.2553, 173.2570 to 173.2573)

Certain Sections of this bill contain an emergency clause.

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

PROPONENTS: Supporters say that these are important programs that ensure Missourians have access to education. The increase in eligibility for fasttrack grants will provide opportunity for more Missourians, and the matching of the federal language for

workforce pell grants will ensure that federal dollars will be available for these programs. The importance of having an emergency clause is in order for these changes to occur before the start of the fall semesters.

Testifying in person for the bill was Senator Henderson; Graduation Alliance; Council on Public Higher Education; Arnie Dienoff; FGA Action; Missouri Chamber of Commerce and Industry; and Brian Millner, Missouri Community College Association.

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.