

FIRST REGULAR SESSION  
HOUSE COMMITTEE SUBSTITUTE FOR  
**HOUSE BILL NO. 927**  
**99TH GENERAL ASSEMBLY**

1895H.02C

D. ADAM CRUMBLISS, Chief Clerk

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**AN ACT**

To repeal sections 173.1006 and 173.1540, RSMo, and to enact in lieu thereof two new sections relating to performance measures at institutions of higher education.

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

Section A. Sections 173.1006 and 173.1540, RSMo, are repealed and two new sections  
2 enacted in lieu thereof, to be known as sections 173.1006 and 173.1540, to read as follows:

173.1006. 1. Each public four-year institution, each community college, and the state  
2 technical college shall utilize the five institutional performance measures it has submitted to, and  
3 that were approved by, the coordinating board for higher education as of August 28, 2014, for  
4 performance funding under sections 163.191, 173.1540, and 178.638. ~~[Each institution shall  
5 adopt, in collaboration with the coordinating board for higher education, an additional  
6 institutional performance measure to measure student job placement in a field or position  
7 associated with the student's degree level and pursuit of a graduate degree. The institutional  
8 performance measure relating to job placement may not be used in any year in which the state  
9 unemployment rate has increased from the previous calendar year's state unemployment rate.]~~  
10 **Beginning in calendar year 2019, each institution shall, in collaboration with the  
11 coordinating board, add an institutional performance measure relating to job placement  
12 in a field or position associated with the student's degree level and pursuit of a graduate  
13 degree.**

14 2. The coordinating board shall evaluate and, if necessary, revise the institutional  
15 performance measures every three years beginning in calendar year 2019 or more frequently at  
16 the coordinating board's discretion.

17 3. **Notwithstanding any provision of this section, section 173.1540, or any other law,  
18 performance funding allocations shall be such that the success or failure of any institution**

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 **to meet any of its performance measures shall not affect the performance funding of any**  
20 **other institution. Instead, if an institution fails to meet its performance measures, the**  
21 **forfeited funds shall remain in general revenue.**

22 4. The department of higher education shall be responsible for evaluating the  
23 effectiveness of the performance funding measures, including their effect on statewide  
24 postsecondary, higher education, and workforce goals, and shall submit a report to the governor,  
25 the joint committee on education, the speaker of the house of representatives and president pro  
26 tempore of the senate by October 31, 2019, and every four years thereafter.

173.1540. 1. Each public four-year institution of higher education shall annually prepare  
2 an institutional budget request and submit it to the department of higher education. The  
3 department of higher education shall review all institutional budget requests and prepare  
4 appropriation recommendations annually for each public four-year institution of higher  
5 education.

6 2. Unless the general assembly chooses to otherwise appropriate state funding, the  
7 appropriation of core funding increases in state funding to public four-year institutions of higher  
8 education shall be in accordance with the increase allocation model, subject to the parameters  
9 set forth in subsection 4 of this section **prior to calendar year 2019, and subject to the**  
10 **parameters set forth in subsection 5 of this section beginning in calendar year 2019.** The  
11 increase allocation model shall be developed and revised as appropriate cooperatively by the  
12 public four-year institutions of higher education and the department of higher education. The  
13 department of higher education shall recommend the model to the coordinating board for higher  
14 education for its approval by October 31, 2014.

15 3. The core funding level for each public four-year institution of higher education shall  
16 initially be the appropriated amount for each institution for fiscal year 2015. **Unless the general**  
17 **assembly chooses otherwise,** increases under subsection 4 of this section shall be incorporated  
18 into the core funding level annually in accordance with the increase allocation model starting  
19 with fiscal year 2016.

20 4. (1) The increase allocation model shall comply with the parameters of this subsection  
21 in allocating annual increases in core appropriations to public four-year institutions of higher  
22 education.

23 (2) Unless otherwise provided by the general assembly during the appropriations process,  
24 no more than ten percent of any increase in core appropriations shall be distributed to address  
25 inequitable state funding through any combination of the following:

26 (a) Determined on a per-student basis, as determined by calculating full-time equivalency  
27 or on such other basis as determined by the department and agreed upon by the institutions. To  
28 the extent inequities result from an institution's performance on its performance funding

29 measures adopted under section 173.1006, such inequities shall not be eligible for an allocation  
30 under this paragraph; and

31 (b) Distributed based on weighted full-time equivalent credit hours so as to provide  
32 enrollment, program offering, and mission sensitivity on an ongoing basis.

33 (3) Unless otherwise provided by the general assembly during the appropriations process,  
34 at least ninety percent of annual increases shall be distributed in accordance with the  
35 performance funding model adopted under section 173.1006.

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37 **The provisions of this subsection shall apply to allocations made to institutions prior to**  
38 **calendar year 2019.**

39 **5. Notwithstanding any provision of subsection 4 of this section to the contrary,**  
40 **beginning in calendar year 2019 the institutional performance measure relating to job**  
41 **performance shall be weighted as one-third of the performance funding allocation for each**  
42 **institution, with the remaining performance measures counted equally as the remaining**  
43 **two-thirds of an institution's performance funding allocation.**

44 **6.** The department of higher education shall be responsible for evaluating the  
45 effectiveness of the increase allocation model and shall submit a report to the governor, the joint  
46 committee on education, the speaker of the house of representatives and the president pro  
47 tempore of the senate by October 31, 2019, and every four years thereafter.

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