

Coordinating Board for Higher Education

Agenda of Meeting

**1:30 p.m.
Wednesday
September 5, 2012**

Truman State Office Building

COORDINATING BOARD FOR HIGHER EDUCATION

Kathryn Swan, Chair, Cape Girardeau

Dalton Wright, Vice-Chair, Conway

Betty Sims, Secretary, St. Louis

Brian Fogle, Springfield

Lowell C. Kruse, St. Joseph

Mary Beth Luna Wolf, St. Louis

TIME: 1:30 p.m.
Wednesday, September 5, 2012

PLACE: Truman State Office Building
Room 490/492
Jefferson City, MO

CBHE/PAC Meeting, September 5, 2012

CBHE Retreat, September 6, 2012

Schedule of Events

Wednesday, September 5, 2012

- 8:00 – 9:00 a.m. CBHE Work Session - Breakfast
Attendees: Coordinating Board Members and Select MDHE Senior Staff
Truman State Office Building Room 490/492, Jefferson City
- 9:00 a.m. – 12:00 p.m. CBHE Work Session
Attendees: Coordinating Board Members and MDHE Senior Staff
Truman State Office Building Room 490/492, Jefferson City
- 12:00 – 1:00 p.m. CBHE Work Session - Lunch
Attendees: Coordinating Board Members and MDHE Senior Staff
Truman State Office Building Room 490/492, Jefferson City
- 1:30 – 4:00 p.m. CBHE/PAC Public Meeting
Attendees: Coordinating Board Members, Presidential Advisory Committee
members and MDHE Senior Staff
Truman State Office Building Room 490/492, Jefferson City
- 6:00 – 6:30 p.m. CBHE Retreat Reception
Attendees: Coordinating Board Members, Speakers and MDHE Senior Staff
DoubleTree by Hilton, 422 Monroe Street, Jefferson City
- 6:30 – 8:00 p.m. CBHE Retreat Dinner
Attendees: Coordinating Board Members, Speakers and MDHE Senior Staff
DoubleTree by Hilton, 422 Monroe Street, Jefferson City

Thursday, September 6, 2012

- 7:30 – 8:00 a.m. CBHE Retreat Breakfast
Attendees: Coordinating Board Members, Speakers and MDHE Senior Staff
DoubleTree by Hilton, 422 Monroe Street, Jefferson City
- 8:00 a.m. – 12:00 p.m. CBHE Retreat
Attendees: Coordinating Board Members, Speakers and MDHE Senior Staff
DoubleTree by Hilton, 422 Monroe Street, Jefferson City
- 12:00 – 1:00 p.m. CBHE Retreat Lunch
Attendees: Coordinating Board Members, Speakers and MDHE Senior Staff
DoubleTree by Hilton, 422 Monroe Street, Jefferson City
- 1:00 – 5:30 p.m. CBHE Retreat
Attendees: Coordinating Board Members, Speakers and MDHE Senior Staff
DoubleTree by Hilton, 422 Monroe Street, Jefferson City

**COORDINATING BOARD FOR HIGHER EDUCATION
PRESIDENTIAL ADVISORY COMMITTEE**

Representatives by Statute

Public Four-Year Universities

Dr. Albert L. Walker, President
Harris-Stowe State University

Dr. Carolyn Mahoney, President
Lincoln University

Dr. Bruce Speck, President
Missouri Southern State University

Mr. Clif Smart, Interim President
Missouri State University

Dr. Cheryl Schrader, Chancellor
Missouri University of Science and Technology

Dr. Robert Vartabedian, President
Missouri Western State University

Dr. John Jasinski, President
Northwest Missouri State University

Dr. Ken Dobbins, President
Southeast Missouri State University

Dr. Troy Paino, President
Truman State University

Dr. Charles Ambrose, President
University of Central Missouri

Mr. Timothy Wolfe, President
University of Missouri

Dr. Brady Deaton, Chancellor
University of Missouri-Columbia

(COPHE Chair)

Mr. Leo Morton, Chancellor
University of Missouri-Kansas City

Dr. Thomas George, Chancellor
University of Missouri-St. Louis

Public Two-Year Colleges

Dr. Alan Marble, President
Crowder College

Dr. Jon Bauer, President
East Central College

Dr. Raymond Cumiskey, President
Jefferson College

Mr. Mark James, Chancellor
Metropolitan Community Colleges

Dr. Steven Kurtz, President
Mineral Area College

Dr. Evelyn Jorgenson, President
Moberly Area Community College

Dr. Neil Nuttall, President
North Central Missouri College

Dr. Hal Higdon, Chancellor
Ozarks Technical Community College

Dr. Ronald Chesbrough, President
St. Charles Community College

Dr. Myrtle Dorsey, Chancellor
St. Louis Community College

Dr. Marcia Pfeiffer, President (PAC Chair)
St. Louis Community College – Florissant Valley

Dr. Marsha Drennon, President
State Fair Community College

Dr. Devin Stephenson, President
Three Rivers Community College

Public Two-year Technical College

Dr. Donald Claycomb, President
Linn State Technical College

Independent Four-year Colleges and Universities

Dr. James Evans, President
Lindenwood University

Dr. Marianne Inman, President
Central Methodist University

Dr. Ron Slepitz, President
Avila University

Dr. Mark S. Wrighton, Chancellor
Washington University

Four-year alternate:

Dr. Gerald Brouder
Columbia College

Independent Two-year Colleges

Col. William Sellers, President
Wentworth Military Academy and Junior College

Two-year alternate:

Dr. Judy Robinson Rogers, President
Cottey College

Association Chairs

COPHE - Dr. Brady Deaton, Chancellor, University of Missouri-Columbia

MCCA - Debbie Goodall, President, Metropolitan Community College – Business and
Technology Campus

ICUM – Dr. Marianne Inman, President, Central Methodist University

COORDINATING BOARD FOR HIGHER EDUCATION

September 5, 2012 – 1:30 p.m. – 4:30 p.m.

Harry S. Truman State Office Building

Room 490/492

Jefferson City, MO

AGENDA

Agenda Item Description	Tab	Presenter
General Business		
<u>Action</u>		
1. Review Consent Agenda		
a. Minutes of the June 6, 2012 CBHE Meeting		
b. Distribution of Community College Funds	A	Paul Wagner
Report of the Commissioner		
Presidential Advisory Committee		
<u>Action:</u>		
1. PAC Nominations and Election of Officers		Bill Thornton
<u>Information</u>		
1. Legislative Implementation Update	B	Paul Wagner
2. Grants Report	C	Rusty Monhollon
Budget and Financial Aid Committee		
	Dalton Wright, Chair	
<u>Action</u>		
1. FY14 Recommendations for Public Institutions' Base Operating Appropriations	D	Paul Wagner
2. FY14 Capital Improvements Recommendations	E	Paul Wagner
3. FY14 Recommendations for MDHE Operating and Student Financial Assistance Appropriations	F	Paul Wagner
4. Alternative Operating Budget Recommendations	G	Paul Wagner
<u>Information</u>		
1. Progress Report on A+ Program Revisions	H	Leroy Wade
2. Student Loan Program Update	I	Leanne Cardwell
3. College Access Challenge Grant	J	Leroy Wade
Academic Affairs and Workforce Needs Committee		
	Lowell Kruse, Chair	
<u>Action</u>		
1. Academic Program Actions	K	Rusty Monhollon
2. Proprietary School Certification Program Administration Rule Revisions	L	Leroy Wade
3. Proposed Residence Center in Willow Springs		Rusty Monhollon
<u>Information</u>		
1. Proprietary School Certification Actions and Reviews	M	Leroy Wade
2. Homeland Security Advisory Committee/HES Update	N	Bill Thornton
External Affairs Committee		
	Mary Beth Luna Wolf, Chair	
General Business		
<u>Information</u>		
1. Appointment of Nominating Committee for 2013 Board Officers		Kathy Swan
2. Good and Welfare of the Board		
3. CBHE Members by Congressional District	O	
4. CBHE Statutory Functions	P	
<u>Action</u>		
1. Adjourn Public Session of Coordinating Board for Higher Education Meeting		

**COORDINATING BOARD FOR HIGHER EDUCATION
MINUTES OF MEETING
June 6, 2012**

The Coordinating Board for Higher Education met on Wednesday, June 6, 2012, at the Courtyard by Marriott-Columbia, MO. Chairwoman Swan called the meeting to order at 1:10 p.m. The presence of a quorum was established with the following roll-call:

	Present	Absent
Doris Carter	X	
Brian Fogle	X	
Lowell Kruse		X
Mary Beth Luna Wolf		X
Betty Sims	X	
Kathryn Swan	X	
Dalton Wright	X	

Consent Agenda

The Consent Agenda included meeting minutes from the April 5, 2012 meeting and Distribution of Community College Funds. A Motion was made by Carter to approve the Consent Agenda in its entirety. Fogle seconded the Motion. Motion passed unanimously.

Chair Swan turned the meeting over to President Pfeiffer, chair of the Presidential Advisory Committee at 2:19 p.m.

The Presidential Advisory Commission By-Laws included a position for secretary to the PAC, however a PAC Secretary has not been appointed since 2007. After discussion with the various associations it was determined that the Secretary position was no longer a viable option. In addition, the By-Laws were cleaned up to replace all mentions of chairman to chair.

Dr. Claycomb, President, Linn State Technical College made a Motion to approve the changes as presented to the PAC. The Motion was seconded by Dr. Cumiskey, President, Jefferson College. The Motion passed.

Wagner provided a wrap up of the 2012 session. SB 562 was not included in the original board document. Lease agreements.

President Pfeiffer turned the meeting back over to Chair Swan at 2:48 p.m.

Budget and Financial Aid Committee

Revision of the A+ Scholarship Program Administrative Rule

Mr. Wade went over the A+ board item. He provided a brief background on the program. Mr. Wade requested that the board table the 50% rule until he is able to obtain clarification from the USDE.

Dr. Nuttall provided a statement on behalf of MCCA about their opposition to the board item and requested that the CBHE table the entire item and asked that Dr. Russell request that his staff work with community colleges before making changes to the rule.

Dr. Russell agreed that it would be best to table this board item.

Mr. Wright made a motion to table the A+ Rule changes until a future date. Ms. Carter seconded. Motion passed unanimously.

Performance Funding Implementation Update

Mr. Wagner gave an overview of the performance funding implementation. MDHE is developing a technical manual for institutions that will serve as a resource for institutions and MDHE in the calculation of the new performance funding metrics. MDHE staff expect to have simulations available by the end of the month so that everyone can become familiar with how the system is expected to work and understand where the results are coming from.

Academic Affairs and Workforce Needs Committee

Academic Program Actions

Dr. Monhollon went over the board item that included several changes, including two change of locations, one for Northwest Missouri State University, St. Joseph campus and one for State Fair Community college, Boonslick Technical Education Center. An addendum to the item to the original board item was also introduced for two items from the University of Missouri – St. Louis.

Dr. Monhollon read the following recommended action: It is recommended that the coordinating Board for Higher Education Approve the Program changes and the new program proposals listed in the board item with the two additions.

Ms. Carter made a motion to approve the recommended action. Fogle seconded the Motion. Motion passed unanimously.

Dr. Monhollon gave an overview of the proposed residence center in Willow Springs. MDHE's review continues to determine compliance with policy and to obtain some unanswered questions. Dr. Monhollon requested the board table this item until a final determination can be reached with campus leaders. It is MDHE's intentions to reach a conclusion within the next 30-45.

No motion was made item was just tabled.

Kansas – Missouri Distance Education Agreement

Mr. Thornton and Dr. Monhollon provide a brief overview of the agreement and the implementation process. Mr. Thornton believes the Kansas Board of Regents was going to review the agreement at its June board meeting in Kansas .

Mr. Thornton read the following recommendation: It is recommended that the Coordinating Board for Higher Education authorize the commissions of higher education to sign the attached agreement with the Kansas Board of Regents regarding state authorization for online instructions. It also is recommended that the Coordinating Board endorse the attached plan for implementing the agreement.

Ms. Carter made a motion to approve the recommended action. Sims seconded the motion. Motion passed.

Chair Swan recognized Doris Carter and Mary Beth Luna Wolf for their time on the board. Their terms expire at the end of this month.

Ms. Sims made a motion to adjourn the meeting at 4:25 pm. Ms. Carter seconded the Motion. Motion passed.

AGENDA ITEM SUMMARY

AGENDA ITEM

Distribution of Community College Funds
Coordinating Board for Higher Education
September 5, 2012

DESCRIPTION

State aid payments to community colleges will be made on a monthly basis. All FY 13 state aid appropriations are subject to a three percent governor's reserve. The Truly Agreed To and Finally Passed (TAFP) core state aid appropriations were revised to reflect an equity adjustment to the distribution formula as proposed and agreed to by the community college presidents and chancellors. Expenditure restrictions made by the governor included a one percent reduction to the revised core.

The TAFP state aid appropriation for community colleges included in House Bill 3 for FY13 is \$130,815,295, and the amount after expenditure restrictions is \$129,507,142. The amount available to be distributed (revised TAFP appropriation minus the three percent governor's reserve less expenditure restrictions) is \$125,582,685.

The payment of state aid distributions to community colleges for July 2012 is summarized below.

State Aid (excluding M&R) – GR portion	\$9,507,530
State Aid – Lottery portion	602,411
Maintenance and Repair	<u>0</u>
TOTAL	\$10,109,941

STATUTORY REFERENCE

Section 163.191, RSMo

RECOMMENDED ACTION

Assigned to Consent Calendar

ATTACHMENT(S)

None

AGENDA ITEM SUMMARY

AGENDA ITEM

Legislative Implementation Update
Coordinating Board for Higher Education
September 5, 2012

DESCRIPTION

The 2012 legislative session was a very successful one in terms of successfully passing important legislation related to higher education. Now it is time for the resulting work of implementing the variety of provisions of HB 1042 and SB 563 that have, or on August 28th will become law. These bills contain several items that require action by the MDHE, and staff has already begun laying the groundwork for implementation so that the requirements of the law will be met. There is an implementation matrix attached for each of these bills that provide detailed information on implementation timelines, assigned responsibility, and current status. The major provisions of these new laws include:

- **Identification and dissemination of best practices in remediation.** MDHE staff has produced an initial study of best practices and an investigation of current practices will begin soon.
- **Establishment of a core transfer library.** MDHE staff has begun identifying courses that may belong in the library and grant funding is being actively sought to accelerate overall implementation.
- **Establishment of a reverse transfer policy.** MDHE staff has begun to assess current practices and to establish a committee of stakeholders to facilitate implementation.
- **Collection of out-of-state program review fees.** MDHE staff has begun evaluating fee structures in other states and will present a proposal for the CBHE's consideration in February 2013.
- **Restructuring of proprietary school certification fees.** MDHE staff has worked with the Proprietary Schools Advisory Committee to create a draft rule for implementation.
- **Creation of a "Higher Education Capital Fund".** MDHE staff is currently evaluating whether implementation of these provisions will occur through CBHE policy or the administrative rule process.
- **School social work program verification.** MDHE staff has worked with the lead institutions to develop the required document. The department is prepared to provide the document to institutions when the law becomes effective on August 28th.

STATUTORY REFERENCE

Chapter 173, RSMo, Department of Higher Education

RECOMMENDED ACTION

This is an information item only.

ATTACHMENTS

Attachment A – HB 1042 Implementation Matrix

Attachment B – SB 563 Implementation Matrix

House Bill 1042
Implementation Matrix

Section - Program	Description	Implementation Timeline		MDHE Unit(s) Assigned	Current Status
173.005.2(6) - Remediation Best Practices	The provisions require the CBHE to identify best practices in remediation and require all two-year and four-year institutions to replicate identified best practices and identify and reduce other methods found to be ineffective at preparing or retaining students or which delay students from enrollment in college-level courses.	August 28, 2012	Statute becomes effective, MDHE staff to begin identifying remediation best practices	Academic Affairs, Data Unit	In anticipation of the passage of these provisions, the Data Unit of the MDHE commissioned a report by a third party to overview literature on remediation and best practices nationally; the report was completed in April. The same contract involves the third party working with the MDHE to set up a survey/study the MDHE will conduct to investigate remediation practices currently used at Missouri public institutions. Due to other matters being addressed by the Academic Affairs and Data Units, some as a result of this legislation, work on Missouri best practices has not yet commenced.
		Following August 28, 2012	Institutions to identify & reduce ineffective methods, replicate best practices identified by CBHE	Academic Affairs	
		November 23, 2012 & annually thereafter	CBHE to report on progress of implementing provisions to governor or governor-elect	Commissioner (annual report)	
		January 14, 2012 & annually thereafter	CBHE to report on progress of implementing provisions to General Assembly	Commissioner (annual report)	
173.005.2(8) - Core Transfer Library	The provisions require the CBHE to work with the Committee on Transfer & Articulation to facilitate the creation of a core transfer library of at least 25 lower division courses involving all Missouri public institutions of higher education.	August 28, 2012	Statute becomes effective		The MDHE worked with higher education institutions as mandated by Senate Bill 389 (2007) to establish core competencies for 16 general education courses. These core competencies will serve as the basis for establishing the core transfer library. Many institutions have already established course equivalencies for transfer supported by institutional articulation agreements. Work is underway identify coursework that is already accepted in transfer and develop a process for implementation of the library.
		November 23, 2012 & annually thereafter	CBHE to report on progress of implementing provisions to governor or governor-elect	Academic Affairs; Commissioner (annual report)	
		January 14, 2012 & annually thereafter	CBHE to report on progress of implementing provisions to General Assembly	Academic Affairs; Commissioner (annual report)	
		July 1, 2014	Transfer library shall be completed	Academic Affairs	

Section - Program	Description	Implementation Timeline		MDHE Unit(s) Assigned	Current Status
173.005.2(8) - Reverse Transfer Policy	The provisions require the CBHE to develop a policy to foster reverse transfer of students from four-year to two-year institutions when students meet requirements to receive an associate's degree with courses taken at least one public two-year and one public four-year institution.	August 28, 2012	Statute becomes effective	Academic Affairs	Institutions across the state currently have various agreements with individual institutions to facilitate differing types of transfers. MDHE staff is in the process of conducting an assessment of these agreements and the potential barriers and issues to be addressed when establishing a statewide system to allow for reverse transfer. A committee is being formed of various stakeholders to establish a means for exchanging secure data across institutions to facilitate this type of transfer statewide. The establishment of such an exchange system, however, may be dependent upon external funding. To this end, staff has submitted an application for a Lumina Foundation grant and is currently responding to grantee follow-up questions regarding the proposal. Workgroups are also currently being formed to develop policy and guidelines for best practices. Though the committee is still in the process of being formed, staff expects committee discussions to result in a policy recommendation for the CBHE's consideration by the end of 2012.
		November 23, 2012 & annually thereafter	CBHE to report on progress of implementing provisions to governor or governor-elect	Commissioner (annual report)	
		January 14, 2012 & annually thereafter	CBHE to report on progress of implementing provisions to General Assembly	Commissioner (annual report)	
173.005.2(8) - DESE Assessment Alignment	The provisions require DESE to maintain alignment of assessments with competencies established under the Curriculum Alignment Initiative for entry-level collegiate courses in English, mathematics, foreign language, sciences, and social sciences.	August 28, 2012	Statute becomes effective	not applicable	The MDHE has already worked with institutions on behalf of the CBHE to establish the competencies with which DESE assessments are to be aligned. Aligning or maintaining alignment of those assessments with established competencies is the responsibility of DESE.

Section - Program	Description	Implementation Timeline		MDHE Unit(s) Assigned	Current Status
173.005.2(12)(b)b - Out-of-State Program Review Fees	The provision will allow the CBHE to collect fees from out-of-state public institutions to cover the costs of reviewing programs for quality assurance.	August 28, 2012	Statute becomes effective	Academic Affairs	The provisions require no action from the CBHE. Rather, the CBHE is granted new authority in this area. Staff is currently evaluating fee structures and programs of other states. It is anticipated that a proposed rule to establish appropriate fees will be brought to the CBHE for consideration at its December meeting. Such would allow adequate time for the proposed rule to navigate the rulemaking process and become effective on July 1, 2013. Fees for this purpose would begin being collected at that time. In anticipation of the fee collection to begin in FY 14, a new decision item for an appropriation to the department of those funds will be included in the MDHE budget request submitted in October.
		October 1, 2012	FY14 MDHE budget request submitted to governor, including new decision item for spending authority for anticipated out-of- state program review fee revenue	Fiscal Affairs	
		July 1, 2013	Rule establishing fees takes effect	Academic Affairs	

Section - Program	Description	Implementation Timeline		MDHE Unit(s) Assigned	Current Status
173.606 - Proprietary Schools Two-year Certification	The provisions will allow proprietary schools in continuous operation for at least five years to be eligible to apply for a certification to operate valid for two years.	August 28, 2012	Statute becomes effective	Proprietary Certification	Applications for the next proprietary school certification cycle are due March 15, 2013. Staff has worked with the Proprietary Schools Advisory Committee and other stakeholders to formulate a proposed administrative rule to address this issue for this and future cycles. A draft of the proposed rule was made available for public comment in July and a final version of the proposed rule will be approved by the committee at its August 21 meeting before being submitted to the CBHE for its consideration at the September meeting. Upon the CBHE's approval of the proposed rule, it will be submitted to the Secretary of State to begin the formal rulemaking process.
		April 1, 2013	Administrative rule outlining two-year certification eligibility becomes effective	Proprietary Certification	
		By June 30, 2014	First two-year certifications may be issued	Proprietary Certification	
173.608 - Proprietary Schools Certification Fees	The provisions change the base annual fee for proprietary schools certification, allow the CBHE to increase fees every five years (within certain limits), grant the CBHE the authority to create additional fees necessary to fund the certification program and create a dedicated fund in the treasury to which fees collected under the program are to be credited.	August 28, 2012	Statute becomes effective	Proprietary Certification	As part of the administrative rule drafting process discussed above, the MDHE has worked with the Proprietary Schools Advisory Committee to create a draft rule to establish "additional appropriate fees" as provided for in the new provisions of 173.608, RSMo. Included in the above rulemaking process, this specific rule will follow the schedule outlined above. The Office of the Treasurer is responsible for implementing provisions related to the creation of the dedicated fund for proprietary schools certification fees. The FY14 MDHE budget request will include a request for appropriations from that fund.
		October 1, 2012	FY14 MDHE budget request submitted to governor, including new decision item for appropriations of fees collected under this section	Fiscal Affairs	
		January 1, 2013	All new schools receiving an application to operate will be required to pay new certification fee	Proprietary Certification	
		March 15, 2013	First renewal certification cycle begins under new base annual fee structure for existing schools	Proprietary Certification	
		April 1, 2013	Administrative rule outlining additional fees becomes effective	Proprietary Certification	
		fiscal year 2018 & every five years thereafter	Base fees may be increased	Proprietary Certification	

Section - Program	Description	Implementation Timeline		MDHE Unit(s) Assigned	Current Status
173.612 - Authority Under the Proprietary Schools Certification Program	The provisions increase the security bond the CBHE and MDHE may require proprietary schools to file for certification, limit the data the CBHE and MDHE may require schools to submit and institutes a timeframe for the manner in which proposals for new and revised programs will be reviewed.	August 28, 2012	Statute becomes effective	Proprietary Certification	Staff at the MDHE are prepared to begin operating under this new review timeline upon the effective date of these provisions. The increased security bond requirement will take effect for all new schools certified after August 28, 12 and for existing schools starting with the next certification cycle for which applications
173.614 - Proprietary School Advisory Committee	The provisions shift responsibility for appointments to the committee from the CBHE to the commissioner and stipulate at least three members represent degree conferring institutions, one of which must confer degrees at the baccalaureate level.	August 28, 2012	Statute becomes effective	Commissioner	The Proprietary School Advisory Committee is already composed in such a way that satisfies the requirements of these provisions. Future appointments will be made in a way that continues to provide this range of representation on the committee.
173.618 - Penalties for Violations of Proprietary Schools Provisions	The provisions authorize any actions contained in Section 407.020, RSMo, relating to merchandising practices, to be taken for violations of the proprietary schools provisions of Sections 173.600 through 173.618, RSMo.	August 28, 2012	Statute becomes effective	not applicable	These provisions require no action on the part of the MDHE for implementation

***NOTE: Sections 174.332 and 174.450 relating to the governing boards of Northwest Missouri State University and Missouri State University, respectively, are also amended by this bill. Those provisions, however, neither have an impact on nor require action from the CBHE or MDHE.

Senate Bill 563
Implementation Matrix

Section - Program	Description	Implementation Timeline		MDHE Unit(s) Assigned	Current Status
166.415 - Missouri Higher Education Savings Program	The provisions require the board of the Missouri Higher Education Savings Program, of which the commissioner of higher education is a member, to study the "qualified" investment plans of other states and contract with or negotiate to provide benefit options similar to those of other states.	August 28, 2012	Statute becomes effective; current contracts are not subject to the provisions, but any contract entered into after this time is subject to the provisions	not applicable	These provisions do not directly relate to the MDHE or any program administered by the department. Fulfillment of these provisions will be the responsibility of the board of the Missouri Higher Education Savings Program, chaired by the Missouri state treasurer.
173.480 - Higher Education Capital Fund	The provisions establish the Higher Education Capital Fund to which monies can be appropriated for the purpose of matching private donations public institutions raise for capital projects.	August 28, 2012	Statute becomes effective	not applicable	The commissioner is responsible for establishing an application and process by which institutions can seek funding under these provisions. Staff is currently evaluating whether that process will be established by a CBHE policy or through the administrative rule process. It is anticipated that a process will be in place by the start of the 2013 legislative session in the event that there is interest during the appropriations process in providing appropriations for the Higher Education Capital Fund.
		January 2013	FY 14 budget process begins in the legislature; process in place by which institutions may seek funds	Fiscal & Legislative Affairs	

Section - Program	Description	Implementation Timeline		MDHE Unit(s) Assigned	Current Status
173.670 - Missouri Science, Technology, Engineering and Mathematics Initiative	The provisions establish the Missouri Science, Technology, Engineering and Mathematics Initiative and create a fund for the initiative in the state treasury. Under the initiative, the MDHE may award matching funds to institutions for certain activities aimed at increasing interest in and graduates from STEM programs.	August 28, 2012	Statute becomes effective	not applicable	FY14 budget instructions from the Office of Administration indicate that departments should not submit new decision item requests involving or impacting general revenue. As such, the FY14 MDHE budget request will not include a new decision item request for an appropriation for this program. Staff will continue to evaluate how best to implement a process by which institutions could receive funds under the program, should it receive appropriations in the future. Rulemaking authority was not granted to the MDHE to operate the program.
		January 2013	FY 14 budget process begins in the legislature	not applicable	
173.1400 - School Social Work Program Verification	The provisions authorize accredited Missouri colleges and universities to issue a document of school social work program verification and acknowledgement of completion to individuals earning a degree in social work and meeting certain other requirements. The MDHE is charged with developing the form to be used for this purpose, which is to be made available to colleges and universities upon request.	August 28, 2012	Statute becomes effective; schools may begin requesting documents from the MDHE for issuance to students	General Counsel, Deputy Commissioner	MDHE staff have worked with colleges and universities to develop the document to be issued by institutions on behalf of the state. A final draft has been completed and the department is prepared to begin providing institutions with copies of the document upon the effective date of these provisions.

Section - Program	Description	Implementation Timeline		MDHE Unit(s) Assigned	Current Status
177.011 - Community College Property Ownership	The provisions specifically exclude community colleges from statutory provisions relating to school building ownership outside of school districts. The provisions state that they shall not be construed to impair the duty and authority of the CBHE to approve academic programs.	August 28, 2012	Statute becomes effective	not applicable	These provisions simply clarify statutes in the area of community college property ownership. The provisions do not require any action on the behalf of the MDHE or CBHE.

NOTES: Section 172.803 increases the statutory maximum award amount for Alzheimer and related disease research grants awarded by the University of Missouri Board of Curators. Section 173.300 corrects an inaccurate statutory reference to the name of the Education Commission of the States. Sections 174.332 and 174.450 make changes to the composition of the Northwest Missouri State University Board of Regents and staggers the terms of the Missouri State University Board of Governors, respectively. Section 301.449 relates to personalized license plates of institutions of higher education located outside Missouri. Section 337.647 provides a mechanism for the State Committee for Social Workers to issue documents of program completion similar to those authorized in section 173.1400 for certain individuals. Section 620.2400 establishes the Missouri Entrepreneur Resource Virtual Network to be managed by Missouri small business and technology development centers. Sections 1.1, 2.1, 3.1 and 4.1 authorizes several property conveyances and easements at Missouri State University. ***NONE of these provisions impact the MDHE or CBHE, nor require any action from the department or the board.

AGENDA ITEM SUMMARY

AGENDA ITEM

Grants Update
Coordinating Board for Higher Education
September 5, 2012

DESCRIPTION

The MDHE frequently applies for and receives grant funding from both public and private sources. Grants can provide additional national-level expertise and other resources to assist the department in implementing statewide initiatives in pursuit of strategic goals. This agenda item provides an update on two grants for which the department has applied and, in one case, received funding.

National Governors' Association Common Core State Standards Postsecondary Collaborative

The MDHE has worked closely with the Department of Elementary and Secondary Education to implement the Common Core State Standards (CCSS). To that end, the MDHE applied for a grant from the National Governors' Association to assist with the implementation of the Common Core State Standards. Missouri was one of three states (the others are Maryland and Nevada) to receive a \$65,000 grant as part of the NGA Common Core State Standards Postsecondary Collaborative (SSPC). The NGA conducted an on-site visit on August 23 to brief the Missouri implementation team on services that NGA can provide and to discuss next steps.

Higher education is crucial to the success of the CCSS. The MDHE has committed to working with DESE to implement the standards because it will improve the quality of education received by Missouri students. Although the majority of work is directed at the K-12 sector, it has far-reaching consequences for higher education, necessitating the involvement of postsecondary stakeholders. Educator preparation programs will have to account for the new standards in their curricula, which will affect faculty in education and mathematics departments and other Arts and Sciences departments as additional core standards are developed. Another key concern for higher education is "college and career readiness," which bridges the transition from secondary to postsecondary education. From the beginning, the MDHE has maintained that the higher education community must define "college readiness." It is in the best interest of students, and education in general, that K-12 and higher education collaborate on this issue and develop a plan to increase communication to the higher education community and develop a means to communicate the CCSS standards to pre-service teachers.

The work supported by the grant will focus on these two key areas. The first goal is to increase the knowledge and understanding of CCSS among postsecondary faculty. Although there is strong support and knowledge among postsecondary leadership and institutional chief academic officers, as well as deans and directors of schools of education, arts and science faculty have only limited knowledge of the CCSS. Through statewide meetings and work groups, MDHE will improve the lines of communication and provide campus leaders with information, tools and resources about the Common Core Standards and how they affect higher education. The grant also will support collaborative efforts among K-12 teachers, college faculty, consultants, DESE

Coordinating Board for Higher Education
September 5, 2012

and the MDHE to identify and develop new curricula for educator preparation programs that account for the new standards.

Lumina Foundation and Kresge Foundation, “Credit When It’s Due” grant

The MDHE has applied for funding from “Credit When It’s Due,” a joint project sponsored by the Lumina and Kresge Foundations to assist with efforts to bring reverse transfer agreements to scale. If accepted, the grant will provide up to \$600,000 to support work on the Missouri Reverse Transfer Initiative, a statewide project mandated by HB 1042 and involving all 27 of Missouri’s public institutions of higher education, in addition to eight independent institutions. The MRTI will build on the numerous institution-to-institution agreements currently in effect or under development to create an integrated statewide system for reverse transfer that effectively will cover most early transfer students in Missouri.

MDHE staff have completed an environmental scan, compiled an inventory of existing reverse transfer agreements and conducted a needs assessment for both the department and the institutions. The proposal calls for the formation of a steering committee comprised of key stakeholders from all educational sectors to guide the project and workgroups charged with developing plans for various parts of the initiative – Assessment, Policy, Implementation, Communications, Operations and Information Technology. The centerpiece of the project is the development of a centralized hub or data exchange system as the infrastructure for exchanging data and for streamlining communication among institutions with incompatible software programs. The goal is to facilitate communication on a statewide scale, rather than continuing to connect peer-to-peer using multiple interface formats and delivery methods.

STATUTORY REFERENCE

173.050(2) Apply for, receive, and utilize funds which may be available from private nonprofit foundations and from federal sources research on higher education needs and problems in the state.

RECOMMENDED ACTION

This is an informational item only.

ATTACHMENT(S)

None

AGENDA ITEM SUMMARY

AGENDA ITEM

FY14 Recommendations for Public Institutions' Base Operating Appropriations
Coordinating Board for Higher Education
September 5, 2012

DESCRIPTION

In recent years, Missouri's ability to maintain funding for its public higher education institutions has been severely compromised. Following a 5.2 percent core funding cut in FY11, the General Assembly cut institutional core budgets an additional 5.7 percent in FY12. This cut was increased to 7 percent through expenditure restrictions imposed by the governor, consistent with his original recommendations. There were further expenditure restrictions of 1.1 percent for the University of Missouri and 1.2 percent for Missouri Western State University due to their tuition increases; however, these were not carried forward into FY13.

The FY13 TAFP budget was passed without cuts from the FY12 funding level for all institutions and \$3 million in new "equity" money was added for certain four-year institutions. However, expenditure restrictions exercised by the governor resulted in a 1 percent reduction for community colleges and Linn State Technical College. Expenditure restrictions amounting to 10 percent of new "equity" funding and 1 percent of the core TAFP for four-year institutions resulted in funding changes from FY12 to FY13 ranging from a 2.6 percent increase to 1 percent reductions. Early indications are that it will continue to be extremely difficult for the state to significantly increase its investment in institutional core budgets in FY14. The intent of this agenda item is to outline the budget restrictions facing Missouri state government in FY14 and to provide a recommended budget for consideration by the Coordinating Board.

Background

The structure and content of the FY14 budget request is largely dictated by the restrictions regarding requests for increases in state funding explained in the July 20, 2012, cover letter from the State Budget Director that accompanied the official FY14 budget instructions. This letter cites several factors that make the FY14 budget unlikely to be marked by any recovery from reductions made in recent years. Most significantly, the slow pace of the economic recovery is reflected in weak growth in state revenue collections. Slow revenue growth is expected again in FY14 and a budget deficit is anticipated, driven in large part by the need to replace \$220 million in one-time funds.

In this context, the budget director's letter instructs all departments to carry forward any FY13 expenditure restrictions into FY14 as core reductions. For institutional core budgets this amounts to approximately \$8.8 million of FY13 restrictions carried forward to FY14. The letter also specifies that any new decision items that require general revenue should not be requested, with the possible exception of items considered mandatory. MDHE staff has confirmed with the Office of Administration that no higher education budget items, including increases for performance funding, are considered mandatory; therefore, the staff is not officially recommending increases for institutional operating budgets.

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Secondary Budget Request

Although additional funds may not be available for increased investment, there is still value in taking this annual opportunity to put forward a representation of some of the needs of Missouri higher education. Accordingly, information on needed funding increases for institutional base operating budgets, as well as other budget items for higher education, will be transmitted to the Governor and General Assembly separately from the formal request that includes no requests for increased funding. The components of this secondary budget request are described in Tab G.

Conclusion

With the state facing continued fiscal challenges and the national and state economies continuing only a modest pace of recovery, there is little, if any, revenue available to address financial needs in state government, including public higher education institutions. While higher education institutions are committed to continuing to seek ways to operate more efficiently and accommodate rapidly growing enrollments, affordable programs and services of quality cannot be maintained indefinitely with existing, or reduced resources.

The formal request for FY14 adheres to the conditions communicated by the State Budget Director. However, a secondary set of recommendations have been developed and will be communicated so that policy makers are aware that additional investment in higher education is needed in order to maintain quality programs and services, keep tuition rates low and meet the urgent challenges of human development and workforce preparation for the new global economy. This approach will provide important context and background about higher education's pressing needs for elected officials to use when new funding becomes available.

STATUTORY REFERENCE

Section 163.191, RSMo, CBHE statutory responsibility to develop an appropriations request for community colleges

Sections 173.005.2(2), 173.030(3), and 173.040(5), RSMo, CBHE statutory responsibility to establish guidelines for appropriations requests and to recommend a budget for each state-supported university

Section 173.005.2(7), RSMo, CBHE statutory responsibility for gathering data from state-supported institutions

RECOMMENDED ACTION

It is recommended that the Coordinating Board approve the FY14 core institutional appropriation request, totaling \$841,879,306 for submission to the Governor and General Assembly.

ATTACHMENT(S)

FY 2014 Institutional Core Budget Request

**Higher Education Institutions' FY14 Budget
Staff Recommendation**

Institution	FY13 Funding		FY13 Expenditure Restriction			FY 13 Available	FY14 Core Reduction	FY14 Core Request
	Core TAFP	Equity Funding	10% of Equity Funding	1% of Core TAFP				
Community Colleges	\$ 130,815,295	\$ -	\$ -	\$ (1,308,153)	\$ 129,507,142	\$ (1,308,153)	\$ 129,507,142	
Linn State Technical College	\$ 4,616,807	\$ -	\$ -	\$ (46,168)	\$ 4,570,639	\$ (46,168)	\$ 4,570,639	
University of Central Missouri	\$ 52,611,033	\$ 580,377	\$ (58,038)	\$ (526,110)	\$ 52,607,262	\$ (584,148)	\$ 52,607,262	
Southeast Missouri State University	\$ 42,886,095	\$ 885,969	\$ (88,597)	\$ (428,861)	\$ 43,254,606	\$ (517,458)	\$ 43,254,606	
Missouri State University	\$ 79,342,892	\$ -	\$ -	\$ (793,429)	\$ 78,549,463	\$ (793,429)	\$ 78,549,463	
Lincoln University	\$ 17,438,672	\$ 49,663	\$ (4,966)	\$ (174,387)	\$ 17,308,982	\$ (179,353)	\$ 17,308,982	
Truman State University	\$ 39,814,175	\$ 105,435	\$ (10,544)	\$ (398,142)	\$ 39,510,924	\$ (408,686)	\$ 39,510,924	
Northwest Missouri State University	\$ 29,179,857	\$ 515,476	\$ (51,548)	\$ (291,799)	\$ 29,351,986	\$ (343,347)	\$ 29,351,986	
Missouri Southern State University	\$ 22,566,335	\$ 346,521	\$ (34,652)	\$ (225,663)	\$ 22,652,541	\$ (260,315)	\$ 22,652,541	
Missouri Western State University	\$ 20,795,378	\$ 516,559	\$ (51,656)	\$ (207,954)	\$ 21,052,327	\$ (259,610)	\$ 21,052,327	
Harris-Stowe State University	\$ 9,588,701	\$ -	\$ -	\$ (95,887)	\$ 9,492,814	\$ (95,887)	\$ 9,492,814	
University of Missouri	\$ 398,000,626	\$ -	\$ -	\$ (3,980,006)	\$ 394,020,620	\$ (3,980,006)	\$ 394,020,620	
Subtotals	\$ 847,655,866	\$ 3,000,000	\$ (300,001)	\$ (8,476,559)	\$ 841,879,306	\$ (8,776,560)	\$ 841,879,306	

AGENDA ITEM SUMMARY

AGENDA ITEM

FY14 Capital Improvements Recommendations
Coordinating Board for Higher Education
September 5, 2012

DESCRIPTION

The Office of Administration has indicated the budget climate for the FY14-15 is not likely to allow the state to be able to make investments in capital improvements. However, it is the duty of the CBHE to communicate the capital needs of Missouri public higher education institutions to the Governor and General Assembly on an annual basis. The intent of this agenda item is to provide the board with staff recommendations for prioritized lists of those needs - one for four-year institutions and Linn State and the other for community colleges.

Background

In preparation for the FY11 budget request, and at the suggestion of the Governor and the Joint Committee on Capital Improvements and Leasing, the CBHE reinstated a prioritization process for the capital improvements request. This prioritization process is guided by the CBHE's existing policy guidelines regarding capital prioritization. There is significant interest in reviewing and possibly updating these guidelines at some point in the future. However, the prioritization of staff time on the governor's strategic priorities for higher education as well as recently enacted legislation has prevented such a review prior to the FY14 recommendation.

Staff Recommendations

Lewis and Clark Discovery Initiative (LCDI)

There are twelve LCDI projects (Attachment A) that continue to have a valid appropriation from the Lewis and Clark Discovery Fund through FY13. MOHELA, however, remains unable to make scheduled payments and reimbursements for these projects have been suspended indefinitely. Appropriations for these projects are contained in HB 17 (2011), but those expenditures were restricted by the Governor since no funding is available. Funds for these projects would need to be reappropriated during the 2013 legislative session for spending authority to remain valid during the FY14-15 biennium. The fulfillment of these prior commitments from the state, regardless of fund source, remains the top staff recommendation to the CBHE.

Further Prioritization

Scope

The Missouri Department of Higher Education evaluation process of capital projects focused solely on each institution's top priority. There are many projects beyond the top institutional priorities for each institution that are more than worthy of state funding and would represent wise investments. However, the costs associated with only institution top priorities are significant. Recognizing fiscal realities which continue to face the state, a determination was made to give sole focus to these top priorities.

Structure of the Recommendation

As a set of priorities secondary to the LCDI projects, staff recommendations for the FY14 budget are presented in two separate prioritized lists – one for each sector (Attachments B and C) – that include the top priority of each public institution of higher education. Linn State Technical College is included with the universities because its governance and funding structures are consistent with that sector. This approach is consistent with the prioritization guidelines, used to clearly communicate the needs of different sectors, and used due to the fundamental differences in terms of governance, financial structure and mission between community colleges and public universities. In addition, this approach highlights the relative priorities within sectors without engendering inappropriate comparisons and competition.

Other Categories

Statewide Issues

The University of Missouri submitted information about one project that is not an educational facility: the new State Historical Society and Museum. This project is not a part of the CBHE process and is not evaluated and ranked against higher education projects. Information on this project will be submitted to the Governor and General Assembly. (Attachment D)

Statutory Requirement

The University of Missouri is required by statute (Section 172.287, RSMo.) to annually request matching funds for engineering equipment expenses. The amount of this request is dictated by the statute. Because this request is of a fundamentally different nature than the higher education capital projects, it also is not prioritized among the capital projects, but is submitted to the Governor and General Assembly. (Attachment D)

Conclusion

In this budget recommendation, MDHE staff has attempted to apply existing policy guidelines to the capital projects submitted for consideration in a straightforward manner. The staff has confidence that the recommended priorities are valid in terms of consistency with existing Board policy, and that they reflect sorely needed and worthy investments of state resources.

STATUTORY REFERENCE

Section 163.191, RSMo, State aid to community colleges

Chapter 33.220, RSMo, submission of annual appropriation requests

Section 173.020, RSMo, CBHE statutory responsibility to plan systematically for the state higher education system

RECOMMENDED ACTION

It is recommended that the Coordinating Board approve the establishment of the remaining Lewis and Clark Discovery projects as the top priorities for any available funding for higher education capital projects and direct the Commissioner of Higher Education to communicate this action to the Governor and General Assembly.

It is further recommended that the Coordinating Board approve the attached Capital Improvement Priorities list and direct the Commissioner of Higher Education to transmit these priorities to the Governor and General Assembly.

ATTACHMENT(S)

Attachment A: Capital Improvement Priorities – Remaining LCDI Projects

Attachment B: Capital Improvement Priorities – Community Colleges

Attachment C: Capital Improvement Priorities – Universities and Linn State

Attachment D: Capital Improvement Priorities – Statewide Issues & Statutorily Required Request

COORDINATING BOARD FOR HIGHER EDUCATION
FY 2014 - CAPITAL IMPROVEMENT PRIORITIES
 Staff Recommendations

REMAINING LCDI PROJECTS

Missouri State - FREUP Phase I (remaining partial funding)	\$	19,126,096
Truman State -Pershing Building (remaining partial funding)	\$	10,222,081
UM-St. Louis-Benton & Stadler Halls	\$	27,689,536
UM-Columbia-Ellis Fischel Cancer Center	\$	30,837,051
UM-Delta Research Center	\$	1,703,230
UM-Southwest Education & Outreach Center	\$	3,015,650
UM-Graves-Chapple Facility	\$	548,791
UM-Horticulture & Agroforestry Center	\$	2,982,918
UM-Wurdack Farm	\$	503,266
UM-Thompson Farm	\$	659,603
UM-Greenley Learning & Discovery Park	\$	1,848,723
UM-McCredie, Midwest Clayplan	\$	599,790
	\$	99,736,735

**COORDINATING BOARD FOR HIGHER EDUCATION
FY 2014 - CAPITAL IMPROVEMENT PRIORITIES**

Staff Recommendations

COMMUNITY COLLEGES

Ranking	Score	Institution	Project	State Request	Non-State Match	Total Cost
1	7.02	Moberly Area Community College	Renovations/Expansion, Communications Infra.	\$757,500	\$757,500	\$1,515,000
2	5.89	North Central Missouri College	Geyer Hall Renovation	\$3,911,300	\$535,000	\$4,446,300
3	5.75	St. Louis Community Colleges	Science Lab Renovations	\$7,000,000	\$3,000,000	\$10,000,000
4	5.24	Crowder College	McDonald County Workforce Dev. Center	\$2,000,000	\$4,000,000	\$6,000,000
5	5.12	State Fair Community College	Automotive & Welding Technology Center	\$3,335,000	\$3,335,000	\$6,670,000
6	5.06	Mineral Area College	Science/Allied Health Expansion	\$7,000,000	\$0	\$7,000,000
7	4.71	East Central College	General Classroom Building	\$6,242,120	\$6,242,120	\$12,484,240
8	4.50	St. Charles Community College	New Life Sciences Facility	\$6,637,500	\$2,212,500	\$8,850,000
9	4.17	Ozarks Technical Community College	Center for Workforce Development	\$12,246,744	\$0	\$12,246,744
10	3.93	Three Rivers Community College	Eastern Campus Classroom Building	\$6,240,288	\$750,000	\$6,990,288
11	3.72	Metropolitan Community Colleges	St. Joseph Education Center	\$13,400,000	\$2,200,000	\$15,600,000
12	3.37	Jefferson College	New Allied Health Building	\$18,901,177	\$0	\$18,901,177
				\$87,671,629	\$23,032,120	\$110,703,749

**COORDINATING BOARD FOR HIGHER EDUCATION
FY 2014 - CAPITAL IMPROVEMENT PRIORITIES
Staff Recommendations**

UNIVERSITIES AND LINN STATE

Ranking	Score	Institution	Project	State Request	Non-State Match	Total Cost
1	6.66	Truman State University	Baldwin/McClain Renovation	\$45,259,000	\$2,347,007	\$47,606,007
2	5.67	Linn State Technical College	Engineering Technology Renovation	\$4,025,248	\$0	\$4,025,248
3	5.60	Southeast Missouri State University	Campus-wide Renovations	\$36,831,953	\$0	\$36,831,953
4	5.59	University of Missouri- Columbia	Lafferre Hall Renovation/Addition	\$68,419,000	\$0	\$68,419,000
5	5.17	Harris-Stowe State University	Vashon Center Renovation	\$15,793,444	\$1,000,000	\$16,793,444
6	5.13	University of Missouri- Kansas City	School of Medicine Renovation/Health Sciences Building	\$55,795,000	\$27,336,000	\$83,131,000
7	4.90	Missouri Univ. of Science & Technology	Chemistry/Biological Sciences Renovation	\$27,954,000	\$0	\$27,954,000
8	4.56	Northwest Missouri State University	Comm, Fine & Performing Arts	\$6,183,206	\$0	\$86,117,074
9	4.46	Lincoln University	New Science Building	\$52,591,936	\$0	\$52,591,936
10	4.40	Missouri State University	Ozarks Health & Life Sciences Center Phase I	\$44,817,636	\$8,963,527	\$53,781,163
11	4.38	Missouri Southern State University	Reynolds Hall Renovation/Addition	\$26,553,130	\$0	\$26,553,130
12	4.22	University of Central Missouri	New Science Building	\$76,662,050	\$0	\$76,662,050
13	4.15	Missouri Western State University	Potter Hall Renovation/Addition	\$43,710,530	\$0	\$43,710,530
14	3.80	University of Missouri - St. Louis	Benton & Stadler Hall Renovation/Addition	\$60,000,000	\$0	\$60,000,000
				\$564,596,133	\$39,646,534	\$684,176,535

**COORDINATING BOARD FOR HIGHER EDUCATION
FY 2014 - CAPITAL IMPROVEMENT REQUESTS**

Statewide Issue	<u>State Request</u>	<u>Local Funds</u>	<u>Total</u>
State Historical Society Building & Museum	\$49,062,000	\$0	\$49,062,000
Statutorily Required Request			
<u>Engineering Equipment</u>			
MU	\$830,400	\$830,400	\$1,660,800
UMKC	\$127,200	\$127,200	\$254,400
Missouri S&T	\$1,768,800	\$1,768,800	\$3,537,600
UMSL	\$139,200	\$139,200	\$278,400
Total Capital Equipment	\$2,865,600	\$2,865,600	\$5,731,200
<u>Engineering Equipment Backlog (Fiscal Years 2003-2013)</u>			
MU	\$3,774,000		
UMKC	\$550,800		
Missouri S&T	\$6,871,200		
UMSL	\$345,600		
Total Capital Equipment	\$11,541,600		

AGENDA ITEM SUMMARY

AGENDA ITEM

Recommendations for MDHE Operating and Student Financial Assistance Appropriations
Coordinating Board for Higher Education
September 5, 2012

DESCRIPTION

Staff recommendations for the Fiscal Year 2014 internal operating appropriation request for the Department of Higher Education and the state student financial assistance programs are included in this section.

A. Coordination

1. Administration

FY13 Core Appropriation	\$1,281,461 (22.58 FTE)
FY14 Core Request	\$1,142,040 (19.61 FTE)
FY14 New Decision Item	\$408 (Pay Plan)
FY14 New Decision Item	<i>To be determined</i>

(Out-of-State Program Approval Fees)

The Missouri Department of Higher Education serves the state system of higher education through the public institutions, the independent colleges and universities, proprietary schools, and more than 461,000 students. Primary responsibilities include statewide planning for postsecondary education, submission of a unified annual budget request, approval/review of new degree programs, administration of state student financial assistance programs and the Federal Family Education Loan Program, working collaboratively with K-12 and the Department of Economic Development on P-20 initiatives and administration of the proprietary school certification program.

This appropriation also includes the Quality Improvement Revolving Fund that allows the collection of revenue on a cost-recovery basis from workshops and conferences provided by the MDHE to be used to support future workshops and conferences. The fund may also be used for distribution of certain federal money to institutions.

The reduction in the FY14 request reflects a fund switch for 2.97 FTE regarding the Proprietary Schools Certification Program. The positions are currently funded through general revenue, but will be funded directly by certification fees paid by proprietary schools into the Proprietary Schools Certification Program Fund established by HB 1042 (2012).

The new decision item for \$408 reflects new money required to continue the 2 percent salary increase pay plan approved for the entirety of FY14 for employees making less than \$70,000 annually.

The CBHE is authorized by HB 1042 (2012) to charge and collect fees from out-of-state public institutions for the cost of reviewing and assuring the quality of programs offered by such institutions. The MDHE plans to request a new decision item in FY14 reflective of the fees anticipated to be collected under this authority to support this function. However, fees have not been set at this time. As such, the amount of this new decision item is yet to be determined.

2. Program Distribution

a. Midwest Higher Education Compact

FY13 Core Appropriation	\$95,000
FY14 Core Request	\$95,000

Section 173.700, RSMo, authorizes Missouri's membership in the Midwestern Higher Education Compact, naming the CBHE as the administrative agent. All of Missouri's public two- and four-year institutions and numerous independent institutions use the services of MHEC, and some cost savings programs are also available to K-12 school districts. As a member, Missouri participates in the Midwest Student Exchange Program. This program allows Missouri residents to enroll at participating out-of-state institutions at 150 percent of the resident student tuition rates. Other cost-saving programs are available for property insurance, computer hardware and software, student health insurance, and pharmacy benefits. Missouri, which was one of the original founding states of MHEC, has realized over \$52.4 million in savings since 1990.

b. Improving Teacher Quality Grant (formerly known as the Eisenhower Program)

FY13 Core Appropriation	\$1,782,422	(1 FTE)
FY14 Core Request	\$1,782,422	(1 FTE)
FY14 New Decision Item	\$29	(Pay Plan)

The core appropriation of \$1,782,422 in federal funds comes from a U.S. Department of Education grant to enhance teacher education in mathematics and science, as authorized by Title II of the Elementary and Secondary Education Act. These funds are allocated to projects designed by higher education institutions and qualifying nonprofit organizations in cooperation with eligible K-12 school districts to improve mathematics and science education in grades K-12. In FY13, the CBHE will utilize 1.0 FTE for this program.

The new decision item for \$29 reflects new money required to continue the 2 percent salary increase pay plan approved for the entirety of FY14 for employees making less than \$70,000 annually.

c. Proprietary Schools Certification Fund

FY14 New Decision Item

To be determined

(Proprietary Certification Fund Switch)

The Proprietary Schools Certification Fund was created in HB 1042 (2012) as a fund into which fees paid under the program by proprietary institutions could be directed. This, coupled with a change in the fee structure associated with the program, is expected to negate the need for a general revenue appropriation to support the program while offering the means to hire additional staff to better serve institutions subject to certification requirements. This new decision item amount will reflect this fund switch for 2.97 FTE previously funded by general revenue under Coordination – Administration (A1 above) in addition to \$100 in new money necessary to continue the FY13 pay plan for the entirety of FY14 for those employees. The amount requested will also reflect the addition of 1.99 FTE to allow for the proper functioning of the program.

d. Proprietary School Bond Fund

FY13 Core Appropriation	\$100,000
FY14 Core Request	\$100,000
FY14 New Decision Item	\$100,000

Section 173.612, RSMo, requires each proprietary school to file a security deposit with the MDHE covering the school and its agents in order to indemnify any student, enrollee, parent, guardian or sponsor of a student or enrollee who suffers loss or damage because of certain actions of the school or for failure to deposit student records in an acceptable manner upon school closure. The MDHE holds a security deposit from each proprietary school with a minimum of \$5,000 and new maximum of \$100,000 (increased from \$25,000 by HB 1042 in 2012.) This appropriation is necessary to ensure the use of those monies for indemnification purposes in cases of malfeasance by a proprietary school.

The new decision item of \$100,000, to bring the total appropriation from this fund requested in FY14 to \$200,000, reflects the increased maximum security deposit required of proprietary institutions by HB 1042 discussed above.

e. Federal and Donated Funds

FY13 Core Appropriation	\$2,000,000
FY14 Core Request	\$2,000,000

This appropriation provides MDHE with spending authority for any private or federal grants received by the agency.

f. College Access Challenge Grants

FY13 Core Appropriation	\$3,000,000
FY14 Core Request	\$3,000,000

The federal College Access Challenge Grant (CACG), enacted in the fall of 2007 by Congress as part of the College Cost Reduction and Access Act, is being used by MDHE to assist and support successful strategies to increase the participation of underserved populations in Missouri postsecondary education. The first cycle of the program ended in FY11. The Health Care and Education Reconciliation Act of 2010 extended the CACG program until Federal Fiscal Year 2014 and increased the level of funding for the program to \$150 million per year. Although the grant has been extended through FY15 for MDHE, the length of the MDHE's award is uncertain as funding is awarded annually.

The MDHE will use the grant to implement a three-pronged approach aimed at increasing the rates of Missourians who attend and succeed in higher education. The activities are focused on increasing financial literacy, establishing a statewide college access network, and awarding competitive grants to build and strengthen outreach activities.

g. Nursing Education Grants

FY13 Core Appropriation	\$1,000,000
FY14 Core Request	\$1,000,000

This appropriation will be used to award competitive grants from the Board of Nursing Fund to eligible higher education institutions based on parameters set forth by the State Board of Nursing in conjunction with MDHE to enhance and expand nursing education programs. Grant award amounts shall not exceed \$150,000 and no campus shall receive more than one grant per year.

B. Financial Assistance and Outreach

1. Program Distribution

a. Academic Scholarship Program (Bright Flight)

FY13 Core Appropriation	\$13,269,250
FY14 Core Request	\$13,269,250

The Missouri Higher Education Academic Scholarship Program (commonly known as Bright Flight) provides scholarships to students who have a composite score in the top 5 percent of all Missouri students taking the ACT or the SAT during their senior year of high school. The maximum scholarship award is \$3,000 per academic year for students in the top 3 percent of test takers, and \$1,000 for students in the top 4th and 5th percentiles. The top 3 percent must receive a full award (\$3,000) before students in the top 4th and 5th percentiles receive any award. Scholarships are renewable until the first bachelor's degree is received or ten semesters are attended, whichever occurs first. FY11 was the first year of implementation of the statutory expansion of this program beyond \$2,000 for the top 3 percent of test takers, and there was a need for additional funding to continue to provide the awards established in law. However, this increase has not been funded. There was a \$2 million

expenditure restriction placed on this program for FY12 and carried forward in the TAFP budget for FY13.

b. Access Missouri Financial Assistance Program

FY13 Core Appropriation	\$62,827,307
FY14 Core Request	\$62,827,307

The Access Missouri Financial Assistance Program provides assistance to students who demonstrate financial need based on an annual evaluation of the applicant's expected family contribution and meet the other statutory eligibility requirements for this scholarship. There was a \$2 million expenditure restriction placed on this program for FY12 and carried forward in the TAFP budget for FY13.

c. A+ Schools Program

FY13 Core Appropriation	\$33,000,000
FY14 Core Request	\$33,000,000

The A+ Scholarship component of the A+ School Improvement Program was transferred from the Department of Elementary and Secondary Education to the MDHE with Executive Order 10-16 during the 2010 legislative session. The A+ Scholarship, which provided approximately \$29 million in FY12, reimburses tuition and general fees for students who attend A+ designated high schools for three years prior to graduation. While in high school the students must meet certain eligibility criteria, including maintenance of a 2.5 grade point average and a 95 percent attendance record, as well as performance of at least 50 hours of tutoring or mentoring. Upon high school graduation, eligible students have four years to utilize the A+ benefit at a participating public community college, public vocational or technical school, or two-year private vocational or technical school that meets statutory requirements. Students must attend full-time and maintain a 2.5 grade point average at the postsecondary level. Spending authority for the program was increased in FY13 by approximately \$3.5 million when the General Assembly removed estimated appropriation designations from many appropriations bills. This increase in spending authority, however, was not accompanied by a corresponding funds transfer and, therefore, represented no new money for the program. In FY13, \$4 million of the appropriation was a transfer from the Guaranty Agency Operating Fund which may not be able to provide that funding in FY14.

d. Advanced Placement Incentive Grant Program, Public Service Officer's Survivor Grant Program, Vietnam Veteran Survivor Grant Program, Wartime Veteran's Survivor Grant Program, Minority Teaching Student Scholarships and Marguerite Ross Barnett Scholarship Program

FY13 Total Core Appropriation	\$1,063,625
FY14 Core Request	\$1,063,625

During the FY13 budget process, the Advanced Placement Incentive Grant, the Public Service Survivor Grant Program, the Veteran's Survivor Grant Program, the Minority Teaching Scholarship Program, the Vietnam Veterans Survivor Scholarship Program and the Marguerite Ross Barnett Scholarship Program were combined into a single line item with a total appropriation of \$1,063,625. This will allow any unexpended funds from these programs, after awards are made to all eligible applicants, to be used in the Marguerite Ross Barnett Scholarship Program, which has had more applicants in recent years than available funding. No changes were made to the amounts appropriated for the individual scholarship programs.

The Advanced Placement Incentive Grant was established in HB 223/231 during the 2011 legislative session. This is a nonrenewable grant of \$500 available to any student who receives an Access Missouri or A+ award and has received two grades of three (3) or higher on advanced placement tests in mathematics or science while attending a Missouri public high school. A \$1 million donation was received by MOHELA to fund this grant.

The Public Service Officer's Survivor Grant provides educational assistance to the spouses and children of certain public employees who were killed or permanently and totally disabled in the line of duty. For FY13, it is projected that 20 students will be served by this program. Dependents are eligible up to the age of 24 to receive a grant to enroll in any program leading to a certificate, associate degree or baccalaureate degree at an approved Missouri postsecondary institution. The maximum annual grant is the least of the tuition paid by a full-time undergraduate Missouri resident at the University of Missouri-Columbia, or the tuition paid at the institution which the student attends.

The Vietnam Veteran Survivor Grant provides educational grants to eligible survivors of certain Vietnam veterans. For FY13, staff projects seven students will receive this grant. To be eligible, an applicant must be a child or spouse of a deceased veteran who served in the military in Vietnam or the war zone in Southeast Asia and who was a Missouri resident when first entering military service and at the time of death. Grant recipients must enroll full-time in programs leading to a certificate, associate degree or baccalaureate degree at an approved Missouri postsecondary institution. The maximum grant award is the lower of the actual tuition charged a full-time student at the approved institution where the eligible survivor is enrolled or the average amount of tuition charged for a full-time Missouri resident at the four regional institutions.

The Wartime Veteran's Survivor Grant was established by HB 1678 (2008) to provide scholarships to the spouses or children of veterans who were Missouri residents when first entering the military and at the time of their death/injury, and who (1) died as a result of combat action or of an illness contracted while serving in combat or (2) became at least 80 percent disabled as a result of injuries or accidents sustained in combat action. The law allows for a maximum of 25 awards of full tuition (the University of Missouri-Columbia rate is the maximum allowed),

provides for up to a \$2,000 room and board allowance and a \$500 book allowance, per semester.

The Minority Teaching Student Scholarships provide \$2,000 scholarships to Missouri minority high school graduates and college students who enter and make a commitment to pursue a teacher education degree and meet certain academic standards. The scholarship is converted to a loan if recipient does not fulfill the obligation to become a certified teacher and teach for five years in a Missouri public school district. Once converted, the loans must be repaid, with interest, within two years. Based on current application numbers, it is anticipated that approximately 50 awards per year will continue to be made through this program.

The Marguerite Ross Barnett Memorial Scholarship Program is the only state-funded scholarship available for part-time students. The scholarship is especially important for individuals already in the workplace seeking to upgrade skills. During FY12, 169 students were served by the program. The scholarship is need-based and is calculated using the Federal Needs Analysis Formula.

e. The Kids' Chance Scholarship Program

FY13 Core Appropriation	\$27,750
FY14 Core Request	\$27,750

The Kids' Chance Scholarship Program, established by section 173.254, RSMo, authorizes the Coordinating Board for Higher Education to provide scholarships for the children of workers who were seriously injured or died in a work-related accident or occupational disease covered by workers' compensation and compensable pursuant to chapter 287, RSMo, to attend a college, university, or accredited vocational institution of their choice. In accordance with statute, the director of the division of workers' compensation deposits \$50,000 each year beginning in 1999 until 2018 into the Kids' Chance Scholarship Fund. Awards can only be made using the interest earnings in the fund. The requested amount is set based on the size of the fund and projected interest as the fund continues to grow. Based on the award level offered by the Kids' Chance of Missouri board (the private organization that prompted this scholarship and with which the MDHE cooperates in operating this program), funding will be available in FY14 for approximately 10 scholarships for eligible students.

f. Minority and Underrepresented Environmental Literacy Program

FY13 Core Appropriation	\$82,964
FY14 Core Request	\$82,964

This program provides scholarships to full-time minority and underrepresented students who pursue a bachelor's or master's degree in an environmental-related field of study at a Missouri college or university and meet certain academic standards. This program is projected to serve approximately 12 students for FY14.

g. Advantage Missouri Program

FY13 Core Appropriation	\$15,000
FY14 Core Request	\$15,000

This appropriation is required to occasionally make refunds to students who had participated in the Advantage Missouri Loan and Loan Forgiveness Program, entered into repayment of the Advantage award, and eventually overpaid their obligation.

h. GEAR UP Program Scholarships

FY13 Core Appropriation	\$450,000
FY14 Core Request	\$450,000

The MDHE was awarded a federal Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) grant in 1999, which was intended to help improve the educational attainment of Missouri citizens. The in-school components of the program were completed in 2008 and the remaining function is a scholarship program for eligible students who participated in program activities at GEAR UP high schools. Students are eligible to receive GEAR UP scholarships based on high school performance and financial need. This appropriation allows the MDHE to award scholarships to the approximately 70 students in the program.

C. Missouri Student Loan Program (Federal Funds)

1. Administration

FY13 Core Appropriation	\$11,438,124 (52.09 FTE)
FY14 Core Request	\$11,438,124 (52.09 FTE)
FY14 New Decision Item	\$1,322 (Pay Plan)

The Missouri Student Loan Program is a guaranty agency for the Federal Family Education Loan program. The program's primary function is to conduct major activities in the areas of collections on defaulted loans, contracts and compliance, early awareness and outreach, and marketing and customer service. The total of outstanding guaranteed loan balances is approximately \$2.7 billion. The core request is from the Guaranty Agency Operating Fund. No general revenue funds are requested.

The new decision item for \$1,322 reflects new money required to continue the 2 percent salary increase pay plan approved for FY13 for the entirety of FY14 for employees making less than \$70,000 annually.

2. Guaranty Functions

a. Student Loan Revolving Fund

FY13 Core Appropriation	\$200,000,000
FY14 Core Request	\$200,000,000

Section 173.120, RSMo, establishes a revolving fund used solely to pay claims and administer the loan program. An appropriation granting authority to spend is required so that Guaranty Student Loan Program funds may be accessed. Disbursements include the purchase of defaulted loans, repurchases of defaulted loans by lenders, payments of accrued interest on defaulted loans and federal reinsurance payments.

Spending authority for this line was increased by the legislature in FY13 to account for the removal of the estimated appropriation designation previously used on this line. The increase of \$55,000,000 in this line in FY13 over FY12 did not reflect any new money for the line.

b. Collection Agency Invoicing

FY13 Core Appropriation	\$8,000,000
FY14 Core Request	\$8,000,000

The department requires that all collection agencies transmit all collections to the MDHE and then submit invoices for their fees. Continued authority in the amount of \$8,000,000 is needed for this purpose.

Spending authority for this line was increased by the legislature in FY13 to account for the removal of the estimated appropriation designation previously used on this line. The increase of \$4,000,000 in this line in FY13 over FY12 did not reflect any new money for the line.

c. Federal 48-hour Rule Reimbursement

FY12 Core Appropriation	\$500,000
FY13 Core Request	\$500,000

A U.S. Department of Education regulation requires state guaranty agencies to deposit all revenues collected from defaulted borrowers into the state's federal fund within 48 hours of receipt. Authority in the amount of \$500,000 is needed to meet this requirement.

d. Transfer Appropriations

From Federal Student Loan Reserve Fund to Guaranty Agency Operating Fund

FY13 Core Appropriation	\$30,000,000
FY14 Core Request	\$30,000,000

From Guaranty Agency Operating Fund to Federal Student Loan Reserve Fund

FY13 Core Appropriation	\$1,000,000
FY14 Core Request	\$1,000,000

Federal law requires certain transfers between the guaranty agency operating fund and the federal student loan reserve fund. These appropriations provide the necessary authority to meet these requirements.

Spending authority for the transfer from the Federal Student Loan Reserve Fund to the Guaranty Agency Operating Fund was increased by the legislature in FY13 to account for the removal of the estimated appropriation designation previously used on this line. The increase of \$22,000,000 in this line in FY13 over FY12 did not reflect any new money for the line.

e. Tax Refund Offsets

FY13 Core Appropriation	\$750,000
FY14 Core Request	\$750,000

Section 143.781, RSMo, gives state agencies the authority to make state tax refund offsets against debts owed to the state agency, including defaulted guaranteed student loans.

Spending authority for this line was increased by the legislature in FY13 to account for the removal of the estimated appropriation designation previously used on this line. The increase of \$500,000 in this line in FY13 over FY12 did not reflect any new money for the line.

STATUTORY REFERENCE

Authority granted under Sections 173.005, RSMo, through 173.750

RECOMMENDED ACTION

It is recommended that the Coordinating Board approve the FY14 MDHE internal budget and student financial assistance appropriation request, as presented, for submission to the Governor and General Assembly.

ATTACHMENT(S)

None

AGENDA ITEM SUMMARY

AGENDA ITEM

Alternative Operating Budget Recommendations
Coordinating Board for Higher Education
September 5, 2012

DESCRIPTION

As indicated in Tab D, FY14 Recommendations for Public Institutions' Base Operating Appropriations, the Office of Administration's Budget Director has instructed agencies not to request general revenue funding increases for FY14 unless such requests are pre-approved by the Office of Administration. The MDHE did not receive approval to request any additional general revenue funding and as such, the MDHE's official recommendation for the FY14 budget does not include requests for increases. However, there is still an important obligation to take this annual opportunity to put forward a representation of the needs of Missouri higher education, and the development of this additional budget recommendation is being used for that purpose.

ADDITIONAL BUDGET REQUEST

Higher Education Institutions

The additional requests regarding institutional budgets follow the funding policies developed by the Higher Education Funding (HEF) Task Force, adopted by the Coordinating Board in 2008.

The alternative recommendations for the FY14 base operating appropriations for public institutions include a request for "Maintaining Quality and Opportunity" through increased funding for the core missions. This request is the top priority, consistent with the HEF policy.

There is not a request associated with a strategic initiative as there has been in recent years due to the need to focus attention on the implementation of performance funding in FY14 as recommended by the CBHE Task Force on Performance Funding. Thus there is a request for increased funding to be distributed through the performance funding model.

Maintaining Quality and Opportunity – Core Missions

"Maintaining Quality and Opportunity" involves the support of institutional core missions through stable and increased state appropriations to fund established programs and services and to meet fixed cost increases. MDHE staff recommends the advancement of this goal by an increase in institutions' operating budgets.

The FY14 recommendation is a \$25.5 million increase in institutional base budgets, which represents a 3.0 percent increase over the FY13 base budget. This increase represents one year of inflation that has not been addressed with state funding increases. This investment would be used to maintain affordability and college and university programs and services at existing levels. This request may provide minimum cost-of-living increases for employees; address mandatory increases in benefit costs; and assist in meeting increased costs in library acquisitions, utilities,

scholarships and general equipment. While the amount of this request is not sufficient to meet the basic inflationary costs facing institutions, especially in the face of recent enrollment growth, it would provide some acknowledgment of these costs with sensitivity to the state's fiscal condition.

Performance Funding Formula

The final report of the Performance Funding Task Force was accepted by the CBHE in February of 2012. This budget recommendation is consistent with the Task Force report in that it directs a portion of new money to performance funding and that portion is approximately 3 percent of each institution's total state funding.

The staff recommendation is that a 3 percent increase, \$25.5 million in total, be available for each institution to earn through demonstrating success in achieving their five respective performance measures. Institutions that demonstrate success on all five measures will receive the entire 3 percent increase. Those demonstrating success on fewer than all five measures will receive a 0.6 percent reduction from the 3 percent increase for each measure that is not met.

Strategic Initiative

There is not an additional recommendation for a strategic initiative for FY14.

Student Financial Assistance

Academic Scholarship Program (Bright Flight)

FY13 Core Appropriation (actual)	\$13,269,250
FY14 Requested Increase	\$8,000,000

The Missouri Higher Education Academic Scholarship Program (commonly known as Bright Flight) provides scholarships to students who have a composite score in the top 5 percent of all Missouri students taking the ACT or the SAT during their senior year of high school. The maximum scholarship award is \$3,000 per academic year for students in the top 3 percent of test takers, and \$1,000 for students in the top 4th and 5th percentiles. The top 3 percent must receive a full award (\$3,000) before students in the top 4th and 5th percentiles receive any award. FY11 was the first year of implementation of the statutory expansion of this program beyond \$2,000 for the top 3 percent of test takers, and there was a need for additional funding to continue to provide the awards established in law. However, this increase has never been funded. For FY12 there was a \$3 million increase over the FY11 spending level, but then a \$2 million expenditure restriction. This request is intended to replace that restricted funding and fund the statutory awards of \$3,000 for all students scoring in the top 3 percent, and \$1,000 for students who were eligible in the 4th and 5th percentiles over the past two years.

Access Missouri Financial Assistance Program

FY13 Core Appropriation (actual)	\$63,827,307
FY14 Requested Increase	\$25,000,000

The Access Missouri Financial Assistance Program provides assistance to students who demonstrate financial need based on an annual evaluation of the applicant's expected family contribution and meet the other statutory eligibility requirements for this scholarship. Because of the continued growth in the number of eligible applicants for this program, and budget cuts in FY10 and FY11, award amounts have eroded significantly. Through a gift from MOHELA, \$5 million was added to the program in FY13, following gifts of \$30 million in FY12 and FY11. For FY14 it is not known whether there will be \$5 million available from MOHELA. This increase is intended to acknowledge the loss of that \$5 million for FY14 and to significantly increase award amounts that are now below the statutory minimums.

A+ Program

FY13 Core Appropriation	\$29,413,326
FY14 Requested Increase	\$3,000,000

The A+ Scholarship, which contained approximately \$29.4 million in FY12, reimburses tuition and general fees for students who attend A+ designated high schools for three years prior to graduation. For FY13, \$4 million of this appropriation is from the Guaranty Agency Operating Fund which may not be able to provide that funding in FY14. In addition, the cost of the program will likely increase in FY14 due to tuition and fee increases at community colleges and other eligible institutions, as well as increases in the number of eligible students as additional high schools are designated as A+ high schools. A preliminary estimate of increased costs for this program is \$3.0 million, to be added to the \$4 million required to maintain the core.

Missouri Returning Heroes' Education Act

FY14 New Decision Item Request	\$841,143
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SB 380 (2008) created the Missouri Returning Heroes' Education Act that requires public institutions of higher education to charge no more than \$50 per credit hour for certain veterans. Institutions may include information about the amount of tuition waived pursuant to the act in their budget requests to the CBHE, and the CBHE may include that information in its budget recommendations to the Governor and the legislature. This request reflects the amount of tuition expected to be waived pursuant to this program during the 2009-10 academic year that was not reimbursed to institutions by the state.

Conclusion

State revenue collections have begun to demonstrate a return to a pattern of stable though modest growth. Looking forward to FY14, the state has a much smaller challenge in terms of replacing one-time money in on-going programs than it has in several years. Nevertheless there are approximately \$220 million in one-time funds in the FY13 budget in addition to several optimistic assumptions about revenue collections and spending needs that could put additional pressure on state finances in FY14.

Missouri public higher education has consistently found ways to operate more efficiently while accommodate rapidly growing enrollments over the past several years of declining state support.

In addition, over the past three to five years Missouri public colleges and universities have led the nation in keeping tuition and fee increases low.

However, the trend of flat or declining state support, coupled with remarkably low tuition and fee increases, is not compatible with the indefinite maintenance of quality programs and services. The formal request for FY14 adheres to the conditions put forth by the Office of Administration. However, this additional set of recommendations has been developed and is recommended to be transmitted with the unified FY14 budget request sent to the Governor and the General Assembly so that policy makers can be aware that additional investment in higher education is needed in order to maintain affordability and quality and meet the urgent challenges of human development and workforce preparation.

STATUTORY REFERENCE

Section 163.191, RSMo, CBHE statutory responsibility to develop an appropriations request for community colleges

Sections 173.005.2(2), 173.030(3), and 173.040(5), RSMo, CBHE statutory responsibility to establish guidelines for appropriations requests and to recommend a budget for each state-supported university

Section 173.005.2(7), RSMo, CBHE statutory responsibility for gathering data from state-supported institutions

RECOMMENDED ACTION

It is recommended that the board direct the Commissioner of Higher Education to transmit the additional alternative budget request to the Governor and the General Assembly for the purpose of providing information on the minimal investments necessary to allow Missouri public higher education institutions to maintain affordable quality and opportunity for students.

ATTACHMENT

None

AGENDA ITEM SUMMARY

AGENDA ITEM

Progress Report on A+ Program Revisions
Coordinating Board for Higher Education
September 5, 2012

DESCRIPTION

At its June 2012 meeting, the Coordinating Board considered proposed changes to the administrative rule that governs the operation of the A+ Scholarship program. The board tabled action on the proposed revisions at the commissioner's request when representatives of several institutions raised concerns about the rule changes. This board item provides an update regarding the ongoing, subsequent discussions.

Background

The scholarship component of the A+ program, while originally part of a high school improvement program, has taken on the function of a free-standing student aid program. During FY12, the MDHE disbursed nearly \$26 million to more than 11,600 students through this program.

After administering the scholarship component of the A+ program for a year using the current administrative rule, the MDHE identified several areas that would benefit from further clarification to ensure the program's policies are in alignment with its operations. These areas were identified through ongoing conversations with postsecondary institutional staff administering the program; questions and concerns received by the MDHE from parents, students and high school officials; and actual experience with the administration and maintenance of the program.

The proposed revisions were tabled at the June CBHE meeting in order to provide additional time to explore options for addressing the following outstanding issues:

- Pell grant/A+ reimbursement relationship – This proposed revision ensures that the requirement to reduce an A+ reimbursement by the Pell grant amount received by a student will be applied regardless of the manner of course and/or program delivery. The intent of the proposed revision is to promote equity and fairness in the interaction between federal aid dollars and A+ award amounts.
- Algebra I end-of-course exam alternative eligibility – The proposed revision clarifies what type of coursework is included in the alternative eligibility option for students that do not meet the Algebra I end-of-course exam requirement. The revision is intended to provide an alternate method of meeting this requirement that supports efforts to improve the academic preparation of students receiving A+ awards and sets an eligibility threshold that is sufficiently rigorous.

- Reimbursement limit for a second credential – The proposed revision addresses eligibility issues that can result when a student pursues a higher level certificate or degree after completing a more basic program. The intent of this change is to promote program completion by ensuring that students pursuing “stacked credentials” will not be penalized by the limitation on the number of hours the program will reimburse.

On June 25, Commissioner Russell sent the Missouri Community College Association updated information regarding these issues and requested additional information regarding MCCA’s position on each. In a response dated July 20, MCCA:

- Requested the department seek clarification from the U.S. Department of Education confirming that the proposed approach to the Pell grant/A+ relationship would not violate federal student aid regulations;
- Proposed additional clarification of the “12-credit-hour” requirement and the addition of a second alternative for the Algebra I end of course exam. The response included additional clarification regarding the option to complete 12-credit-hours of postsecondary work by explicitly stating that the hours could be “earned through advanced placement courses, dual credit courses, dual enrollment courses, and classes taken after high school graduation.” In addition, a student also could gain eligibility by achieving a minimum score (to be determined later) on the COMPASS placement test or the math subtest of the ACT; and
- Accepted the MDHE staff recommendation regarding students who pursue a second credential.

On August 9, Commissioner Russell provided additional clarification concerning the Pell grant/A+ relationship and proposed adoption of the minimum test scores (COMPASS/ACT) as the sole alternative for students that could not meet the Algebra I end-of-course requirement. On August 24, MCCA accepted the revised proposal to define the Pell grant/A+ relationship; however, MCCA requested that the 12-credit-hour be retained as an option for students who did not meet the Algebra I end-of-course requirement.

Current Status

The MDHE and MCCA have made progress on the outstanding issues; however, as of August 29 MDHE and MCCA had not yet reached agreement on the question of eligibility alternatives to the Algebra end-of-course exam. The MDHE will discuss its position vis-à-vis acceptable alternatives with MCCA and will bring a final rule revision proposal to the Coordinating Board at its December meeting.

STATUTORY REFERENCE

Section 160.545, RSMo, A+ Scholarship

RECOMMENDED ACTION

This is an information item only

ATTACHMENT(S)

None

Coordinating Board for Higher Education
September 5, 2012

AGENDA ITEM SUMMARY

AGENDA ITEM

Student Loan Program Update
Coordinating Board for Higher Education
September 5, 2012

DESCRIPTION

The purpose of this agenda item is to update the CBHE about the recent activity of the MDHE guaranty agency.

Federal Loan Program Oversight and Initiatives

In May, the U.S. Department of Education conducted a review of the MDHE's security controls for protection of federal student loan data. On August 13, 2012, the MDHE received USDE's review report, which provided an overview of MDHE information security controls in the areas of governance, logical access control, operations, vulnerability management, incident/breach response, infrastructure protection, records management and privacy. In addition to describing existing controls, the report made several recommendations for improving or formalizing MDHE security policies and procedures. Guaranty agency staff is working to implement the majority of the recommendations and will submit a written response to USDE during September.

Guaranty agency staff continues to closely monitor the guaranteed loan portfolio due to the temporary "special consolidation" program implemented by USDE. Through this program, student loan borrowers with loans in both the Federal Family Education Loan Program and the William D. Ford Federal Direct Program were able to combine their loans into a "Special Direct Consolidation Loan" held by the federal government. Eligibility for the program ended on June 30, 2012. Although the MDHE guaranteed loan portfolio appears to have weathered the program without a significant loss, due to a potential delay between loan origination and lender reporting, the MDHE will not know the full impact of the program until September 2012.

Recent Guaranty Agency Activity

In March, the MDHE issued a Request for Proposals for participation in its 2012-2013 Default Prevention Grant program to all Missouri postsecondary institutions administering federal loans. The MDHE instituted the Default Prevention Grant program in 2001 and since that time has awarded almost \$8 million to Missouri institutions to help implement and sustain debt management programs, financial literacy workshops, student success and retention efforts and other default prevention activities. This year the MDHE received 48 proposals and after evaluating each proposal awarded 38 Default Prevention Grants. A list of the institutions receiving grants for 2012-2013 is attached. The grants are funded through revenue earned by administration of the Missouri Student Loan Program.

Since the inception of the MDHE Default Prevention Grant program, participating schools saw their Cohort Default Rates decline from an average of 14 percent to a low of 4.9 percent. Although CDRs have risen during the recent economic downturn, according to the most recent

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statistics published by USDE, the CDR for loans guaranteed by the MDHE is 6.3 percent, which is well below the national average of 8.8 percent.

RECOMMENDED ACTION

This is an information item only.

ATTACHMENT(S)

2012-2013 Default Prevention Grant recipient list

2012-2013 MDHE Default Prevention Grant Recipients

Avila University
Bryan College
Cape Girardeau Career & Tech. Center
Concordia Seminary
Cox College
Drury University
East Central College
Eden Theological Seminary
Fontbonne University
Forest Institute of Professional Psychology
Franklin Technology Center
Harris-Stowe State University
Jefferson College
Kirksville Area Technical Center
Lincoln University
Linn State Technical College
Metropolitan Community College
Mineral Area College
Missouri Southern State University
Missouri State University
Missouri State University - West Plains
Missouri Valley College
Missouri Western State University
Moberly Area Community College
North Central Missouri College
Park University
South Central Career Center
Southeast Missouri State University
St. Charles Community College
St. Louis College of Health Careers
St. Paul School of Theology
State Fair Community College
Stephens College
Three Rivers Community College
University of Missouri - Kansas City
Webster University
Wentworth Military Academy & College
Westminster College

AGENDA ITEM SUMMARY

AGENDA ITEM

College Access Challenge Grant
Coordinating Board for Higher Education
September 5, 2012

DESCRIPTION

The College Access Challenge Grant was established by Congress as part of the College Cost Reduction and Access Act of 2007. The purpose of the grant is to foster partnerships among federal, state and local governments in assisting low-income middle and high school students in gaining access to and succeeding in postsecondary education. This agenda item provides an update regarding the maintenance of effort requirement and a status update about the upcoming award cycle.

Maintenance of Effort Requirement

In an effort to provide incentives for states to maintain a commitment to funding higher education, the federal statute authorizing the College Access Challenge Grant includes a maintenance of effort requirement for states receiving program funding. The MOE requirement mandates that in order to be eligible to receive a grant award, the state must maintain its level of funding at or above the previous five-year average for 1) the operating appropriations to public institutions of higher education and 2) student financial aid to students attending private institutions. The statute also provides the Secretary of Education the authority to grant a waiver from this requirement “if it is determined such a waiver would be equitable due to exceptional or uncontrollable circumstances, such as a natural disaster or a precipitous and unforeseen decline in financial resources of a State.”

Based on our initial calculations, Missouri did not meet the MOE requirement for FY11, making it necessary to submit a waiver request in order to be eligible to apply for FY12 funding. On May 31, 2012, the MDHE, with assistance from the Office of Administration, Office of Budget and Planning, submitted a request for a waiver of the MOE requirement to the United States Department of Education.

Following the review of MDHE’s waiver request, the US Department of Education allowed the MDHE to revise the initial MOE report by reducing the amount of State Fiscal Stabilization Funds reported for FY10. In FY10, Missouri’s appropriation exceeded the amount necessary to meet the MOE requirement, in part through the use of SFSF funds. By reducing the total funds reported in this category for FY10, it allowed the state to meet the MOE requirement for FY11 while still meeting the requirement for FY10. As a result, we were able to withdraw the request for a waiver and are fully eligible to participate for FY12.

Fiscal Year 2012 Application

Although the initial review indicated Missouri would not meet the MOE requirement for FY12, the department continued to take steps to ensure our participation should the state be determined

eligible. On July 5, 2012, the MDHE submitted the FY12 application for the College Access Challenge Grant to the United States Department of Education. The application highlighted MDHE's planned activities for the \$2.1 million allocated for Missouri. The scope of Missouri's proposed program includes three primary areas of focus.

First, the MDHE will continue to conduct a sub-grant process designed to build and strengthen existing outreach activities that assist students and families in preparing for postsecondary education. The MDHE will collaborate with a broad range of organizations with a particular focus on those that have established working relationships with their communities. Since 2008, over 146,000 students in Missouri have participated in CACG-related activities or received services related to the CACG thanks to outreach provided by the sub-grant.

Second, the MDHE will continue to directly provide a range of services and activities designed to improve the financial literacy of Missouri's secondary and postsecondary students and families. Services that relate to financial literacy include organizing and delivering events and disseminating information through print materials and electronic resources designed to educate parents and students about planning for a postsecondary education, both academically and financially. This effort will also include the creation and distribution of financial literacy information to students, families, financial aid officials, high school counselors and business teachers.

Third, the MDHE will establish a formal statewide college access network. The mission of the network is to strengthen and empower Missouri communities in developing a college-going culture in their schools. The statewide college access network will seek to serve the state's diverse population with a particular focus on first-generation, low-income, disadvantaged or traditionally under-represented groups. The MDHE will also continue to sponsor a statewide conference (Focus on Missouri) that will bring together key stake holders in the college access pipeline in order to raise awareness regarding college access throughout the state.

The department has not received formal notification of the College Access Challenge Grant award but expects to do so in the near future.

Conclusion

Funding from the College Access Challenge Grant has provided the MDHE to expand the delivery of related services across the state of Missouri. It is a valuable resource in helping achieve the college achievement goals set by the Governor and the Coordinating Board. Through the support provided by the grant, the MDHE will continue to partner with organizations throughout the state as well as continue its focused effort to provide financial literacy materials to high school students and families as they plan to enter and succeed in higher education.

STATUTORY REFERENCE

Section 173.050 RSMo, Powers of the coordinating board.

This is an information item only.

ATTACHMENT(S)

None

AGENDA ITEM SUMMARY

AGENDA ITEM

Academic Program Actions
Coordinating Board for Higher Education
September 5, 2012

DESCRIPTION

This agenda item reports all proposals for program actions reviewed by the Missouri Department of Higher Education since the June 6, 2012, board meeting. These proposals are submitted to the Coordinating Board for Higher Education for its action.

The following tables summarize the proposed program actions submitted to the CBHE in the attachment to this agenda item.

PUBLIC INSTITUTIONS

	Certificate	Associate	Baccalaureate	Graduate	Total
Deleted	11	6	6	2	25
Inactivated	1	0	0	0	1
Other Program Changes*	18	8	2	7	35
New	1	3	6	2	12
Off-site	0	2	0	0	2
Programs Withdrawn	0	0	0	0	0

*Includes options inactivated/deleted, options added, titles changed, certificates added, programs combined.

INDEPENDENT INSTITUTIONS

	Certificate	Associate	Baccalaureate	Graduate	Total
Deleted	0	0	0	0	0
Inactivated	0	0	0	0	0
Other Program Changes*	0	0	0	0	0
New	1	1	0	0	2
Off-site	0	0	6	5	11
Programs Withdrawn	0	0	0	0	0

*Includes options inactivated/deleted, options added, titles changed, certificates added, programs combined.

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Change of Location

1. State Fair Community College will change the address for campus operations at Stone Crest Mall-Lower Level 3797 Hwy. 54, Box B-2 Osage Beach, Missouri 65065 to the following:

Stone Crest Mall
3797 Osage Beach Highway, Box B-2
Osage Beach, Missouri 65065

2. Columbia College will change the address for campus operations in Rolla 2303 North Bishop Avenue, Rolla, Missouri 65401 to the following:

550 Blue's Lake Parkway
Rolla, Missouri 65401

STATUTORY REFERENCE

Sections 173.005.2(1), 173.005.2(8), 173.005.11, 173.030(1), and 173.030(2), RSMo, Statutory requirements regarding CBHE approval of new degree programs.

RECOMMENDED ACTION

It is recommended that the Coordinating Board for Higher Education approve the program changes and new program proposals listed in the attachment.

ATTACHMENTS

Attachment A - Academic Program Actions

ACADEMIC PROGRAM ACTIONS

Under RSMo 173.005.11 and 6 CSR 10-10.010, out-of-state public institutions offering programs in Missouri are subject to an approval process similar to that for Missouri's public institutions of higher education. The CBHE must approve all programs before they are offered in Missouri.

I. Programs Discontinued

East Central College

1. Current program:

C1, Accounting

Approved change:

Delete program

Program as changed:

C1, Accounting (*deleted*)

2. Current program:

C2, Business Technology Specialist

Approved change:

Delete program

Program as changed:

C2, Business Technology Specialist (*deleted*)

3. Current program:

C0, Computer Integrated Manufacturing

Approved change:

Delete program

Program as changed:

C0, Computer Integrated Manufacturing (*deleted*)

4. Current program:

C1, Floral Design / Floral Shop Management

Approved change:

Delete program

Program as changed:

C1, Floral Design / Floral Shop Management (*deleted*)

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5. Current program:

AAS, Accounting Clerk

Approved change:

Delete program

Program as changed:

AAS, Accounting Clerk (*deleted*)

6. Current program:

AAS, Computer Information Systems
Solution Developer

Approved change:

Delete option in Solution Developer

Program as changed:

AAS, Computer Information Systems
Solution Developer (*deleted*)

7. Current programs:

AAS, Legal Secretary
C1, Legal Secretary
C2, Legal Secretary

Approved changes:

Delete programs

Program as changed:

AAS, Legal Secretary (*deleted*)
C1, Legal Secretary (*deleted*)
C2, Legal Secretary (*deleted*)

Northwest Missouri State University**1. Current program:**

BA, Organizational Communication

Approved change:

Delete program

Program as changed:

BA, Organizational Communication (*deleted*)

2. Current program:

BS, Organizational Communication

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Approved change:
Deleted program

Program as changed:
BS, Organizational Communication (*deleted*)

3. Current program:
BA, Public Relations

Approved change:
Delete program

Program as changed:
BA, Public Relations (*deleted*)

4. Current program:
BS, Public Relations

Approved change:
Delete program

Program as changed:
BS, Public Relations (*deleted*)

5. Current program:
BA, Speech Communication

Approved change:
Delete program

Program as changed:
BA, Speech Communication (*deleted*)

6. Current program:
BS, Speech Communication

Approved change:
Delete program

Program as changed:
BS, Speech Communication (*deleted*)

St. Louis Community College

1. Current program:
C1, Information Technology

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Network Administration

Approved change:

Delete program

Program as changed:

C1, Information Technology (*deleted*)

Network Administration (*deleted*)

2. Current program:

C1, Medical Transcription

Approved change:

Delete program

Program as changed:

C1, Medical Transcription (*deleted*)

3. Current program:

C0, Phlebotomy

Approved change:

Delete program

Program as changed:

C0, Phlebotomy (*deleted*)

4. Current programs:

AAS, Management and Supervisory Development

C1, Management and Supervisory Development

Approved change:

Delete programs

Programs as changed:

AAS, Management and Supervisory Development (*deleted*)

C1, Management and Supervisory Development (*deleted*)

5. Current program:

AAS, Travel and Tourism

Approved change:

Delete program

Program as changed:

AAS, Travel and Tourism (*deleted*)

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6. Current programs:

AAS, Sales

C0, Sales

Approved changes:

Delete programs

Programs as changed:

AAS, Sales (*deleted*)C0, Sales (*deleted*)**7. Current program:**

MSEd, Teaching Middle School

Approved change:

Delete program

Program as changed:

MSEd, Teaching Middle School (*deleted*)**Southeast Missouri State University****1. Current program:**

MS, Criminal Justice

Capstone Seminar

Community Policing Administration

Comprehensive Examination

Criminal Justice Administration

Internship

Thesis

Approved changes:

Delete options in

Capstone Seminar

Comprehensive Examination

Internship

Thesis

Program as changed:

MS, Criminal Justice

Capstone Seminar (*deleted*)

Community Policing Administration

Comprehensive Examination (*deleted*)

Criminal Justice Administration

Internship (*deleted*)Thesis (*deleted*)

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II. Inactivated Programs

East Central College

1. Current program:

C1, Emergency Medical Technology

Approved change:

Inactivate program

Program as changed:

C1, Emergency Medical Technology (*Inactivated*)

III. Approved Changes in Academic Programs

East Central College

1. Current program:

C1, Business Technology Specialist

Approved change:

Change title of program to Business Technology Administrative Assistant

Program as changed:

C1, Business Technology Administrative Assistant

2. Current program:

C1, Paramedic Technology

Approved change:

Addition of Two-year Certificate (C2) developed from approved existing parent degree

Program as changed:

C2, Paramedic Technology

3. Current program:

C1, Welding

Approved change:

Addition of Two-year Certificate (C2) developed from approved existing parent degree

Program as changed:

C2, Welding

4. Current program:

AAS, Business Technology Legal Assistant

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Approved change:

Addition of One-year Certificate (C1), Business Technology Legal Assistant

Program as changed:

AAS, Business Technology Legal Assistant

C1, Business Technology Legal Assistant

5. Current program:

AAS, Computer Information Systems

Network Technician

Approved changes:

Addition of Two-year Certificate (C2), in Computer Information Systems to approved existing parent degree

Addition of Two-year Certificate (C2), in Computer Information systems—Network Technician to approved existing parent degree

Program as changed:

AAS, Computer Information Systems

Network Technician

C2, Computer Information Systems

C2, Computer Information Systems—Network Technician

6. Current program:

AAS, Industrial Engineering Technology

Approved change:

Add Two-year Certificate (C2) to approved existing program

Program as changed:

AAS, Industrial Engineering Technology

C2, Industrial Engineering Technology

7. Current program:

AAS, Multimedia Design

Graphic Design

Approved changes:

Addition of One-year Certificate (C1), Graphic Design to approved existing parent degree

Addition of Two-year Certificate (C2), Graphic Design to approved existing parent degree

Program as changed:

AAS, Multimedia Design

Graphic Design

C1, Graphic Design

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C2, Graphic Design

8. Current program:

AAS, Precision Machining Technology
CNC Machining

Approved changes:

Addition of One-year Certificate (C1), Precision Machining Technology to approved existing parent degree

Addition of Two-year Certificate (C2), Precision Machining Technology to approved existing parent degree

Program as changed:

AAS, Precision Machining Technology
CNC Machining

C1, Precision Machining Technology

C2, Precision Machining Technology

Lincoln University

1. Current program:

MBA

Accounting

Entrepreneurship

Management

Public Administration & Policy

Approved change:

Add option in Management Information Systems

Program as changed:

MBA

Accounting

Entrepreneurship

Management

Management Information Systems

Public Administration & Policy

Metropolitan Community College

1. Current program:

AAS, Industrial Technology

Approved changes:

Add options in

Industrial Technology

Construction and Logistics Driver

Warehouse Worker

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Program as changed:

AAS, Industrial Technology
 Industrial Technology
 Construction and Logistics Driver
 Warehouse Worker

Moberly Area Community College

1. Current program:

AAS, Industrial Technology

Approved change:

Addition of one-year certificate (C1) in Industrial Electrical Technician from approved parent degree

Program as changed:

AAS, Industrial Technology
 C1, Industrial Electrical Technician

Three Rivers Community College

1. Current program:

AAS, Agriculture Systems

Approved change:

Add option in Agriculture Science to approved parent degree

Program as changed:

AAS, Agriculture Systems
 Agriculture Science

Missouri University of Science and Technology

1. Current program:

N/A

Approved change:

Addition of free-standing single-semester undergraduate certificate program (C0), in Explosives Technology

Program as changed:

C0, Explosives Technology

Missouri Western State University

1. Current program:

MAS, Applied Science
 Chemistry
 Engineering Technology Management

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Human Factors and Usability Testing
Information Technology Management

Approved change:
Add option in Sport and Fitness Management

Program as changed:
MAS, Applied Science
Chemistry
Engineering Technology Management
Human Factors and Usability Testing
Information Technology Management
Sport and Fitness Management

University of Central Missouri

1. Current program:

BS, Graphic Arts Technology Management

Approved changes:
Change title of program to Graphic Technologies
Add options in
Print Media Technology Management
Graphic Design Technology
Web Media Technology
Packaging Technology
Photography

Program as changed:
BS, Graphic Technologies
Print Media Technology Management
Graphic Design Technology
Web Media Technology
Packaging Technology
Photography

University of Missouri - Columbia

1. Current program:

N/A

Approved change:
Addition of free-standing single semester certificate (C0), in Digital Global Studies

Program as changed:
C0, Digital Global Studies

2. Current program:

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N/A

Approved change:

Addition of free-standing single semester certificate (C0), in Sales and Customer Development

Program as changed:

C0, Sales and Customer Development

University of Missouri – Kansas City

1. Current program:

N/A

Approved change:

Addition of free-standing single semester graduate certificate (GRCT), in Nonprofit Management and Innovation

Program as changed:

GRCT, Nonprofit Management and Innovation

2. Current program:

N/A

Approved change:

Addition of free-standing single semester graduate certificate (GRCT), in Urban Policy Administration

Program as changed:

GRCT, Urban Policy Administration

3. Current program:

N/A

Approved change:

Addition of free-standing single semester graduate certificate (GRCT), in Gerontology

Program as changed:

GRCT, Gerontology

4. Current program:

BLA

Approved change:

Add option in
Black Studies

Program as changed:

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BLA

Black Studies

University of Missouri – St. Louis

1. Current program:

N/A

Approved change:

Addition of free-standing single semester certificate (C0), Actuarial Studies

Program as changed:

C0, Actuarial Studies

2. Current program:

N/A

Approved change:

Addition of free-standing single semester certificate (C0), Evolutionary Studies

Program as changed:

C0, Evolutionary Studies

3. Current program:

N/A

Approved change:

Addition of free-standing single semester certificate (C0), in Women's Leadership

Program as changed:

C0, Women's Leadership

4. Current Program:

N/A

Approved change:

Addition of free-standing single semester graduate certificate (GRCT), Business Intelligence

Program as changed:

GRCT, Business Intelligence

5. Current program:

MEd, Counseling

Elementary

Secondary

Mental Health Counseling

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Approved change:
Change title of option to Clinical Mental Health Counseling

Program as changed:
MEd, Counseling
 Elementary
 Secondary
 Clinical Mental Health Counseling

IV. Received and Reviewed Changes in Programs (Independent Colleges and Universities; includes Discontinued Programs and Programs Placed on Inactive Status)

No actions of this type have been taken since the last board meeting.

V. Program Changes Requested and Not Approved

No actions of this type have been taken since the last board meeting.

VI. New Programs Recommended for Provisional Approval

Effective July 1, 2011, the CBHE will give provisional approval to new academic programs. The MDHE will review the program five years from the date of its provisional approval. If this review indicates that the program is not performing as expected, the CBHE may recommend the termination of the program, unless there are compelling justifications (i.e., central to institutional mission; supports other programs; meets statewide needs) for continuing the program.

East Central College

- 1.) AAS, Chemical Technology
- 2.) C2, Medical Assistant

Jefferson College

- 1.) AAS, Radiologic Technology

Linn State Technical College

- 1.) AAS, Radiologic Technology

Missouri State University

- 1.) BS, Health Services

Northwest Missouri State University

- 1.) BA, Communication
- 2.) BS, Communication

State Fair Community College

- 1.) AA, General Studies *(for delivery off-site at Library / Learning Resource Center, Boonville,*

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Missouri)

St. Louis Community College

- 1.) AAS, Nursing (*for delivery off-site at BJC Learning Institute, St. Louis, Missouri*)

University of Central Missouri

- 1.) BS / MS Accelerated Dual Degree, Criminal Justice
- 2.) BSBA, Economics

University of Missouri-Kansas City

- 1.) BM, Jazz Studies
- 2.) MMS, Physician Assistant

VII. New Programs Received and Reviewed (Independent Colleges and Universities)

Columbia College

- 1.) AS, Pre-Engineering

Hannibal-LaGrange University

- 1.) C2, Practical Nursing

Lindenwood University

- 1.) BA, Communication (*for delivery off-site at St. Louis City Center, St. Louis, Missouri*)
- 2.) BS, Criminal Justice (*for delivery off-site at North County Center, O'Fallon South Center, South County Center and St. Louis City Center, St. Louis, Missouri*)
- 3.) BS, Criminal Justice Administration (*for delivery off-site at O'Fallon South Center and South County Center, St. Louis, Missouri*)
- 4.) BSBA, (*for delivery off-site at North County Center, O'Fallon South Center, South County Center, St. Louis City Center, St. Louis, Missouri; and Wildwood Town Center, Wildwood, Missouri*)
- 5.) BS, Health Management (*for delivery off-site at North County Center, O'Fallon South Center, South County Center and St. Louis City Center, St. Louis, Missouri*)
- 6.) BS, Human Resource Management (*for delivery off-site at North County Center, O'Fallon South Center, and St. Louis City Center, St. Louis, Missouri*)
- 7.) MBA, (*for delivery off-site at North County Center, O'Fallon South Center, South County Center, St. Louis City Center, St. Louis, Missouri; and Wildwood Town Center, Wildwood, Missouri*)
- 8.) MA, Communications (*for delivery off-site at St. Louis City Center*)
- 9.) MS, Criminal Justice Administration (*for delivery off-site at North County Center, O'Fallon South Center, South County Center and St. Louis City Center, St. Louis, Missouri*)
- 10.) MS, Health Care Administration (*for delivery off-site at South County Center, St. Louis, Missouri*)

11.) MS, Human Resource Management (*for delivery off-site at O'Fallon South Center, South Center, and St. Louis City Center, St. Louis, Missouri*)

AGENDA ITEM SUMMARY

AGENDA ITEM

Proprietary School Certification Program Administration Rule Revisions
Coordinating Board for Higher Education
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DESCRIPTION

Among the provisions included in the recently enacted House Bill 1042 are statutory revisions related to the Coordinating Board's Proprietary School Certification Program. The intent of this board item is to provide background information regarding the statutory changes and to seek approval to adopt revisions to the administrative rule governing the certification program.

Background

Through the Proprietary School Certification Program, the MDHE provides oversight of certain private Missouri-based and out-of-state postsecondary education providers. The central focus of the program is consumer protection. This is accomplished through the establishment of standards for school operation and monitoring of those operations to ensure students are treated in a fair and equitable manner and receive education and training consistent with the published objectives of the instructional programs and the school. Those standards are promulgated as the part of the administrative rule 6 CSR 10-5.010.

HB 1042 is the first revision of the proprietary program statute since 1991. It contains the following provisions related to the Proprietary School Certification Program:

- Increases the minimum and maximum certification fee and revises the fee formula
- Allows the board to periodically adjust the certification fee based on inflation;
- Allows the board to establish additional fees in order to generate sufficient funding to meet the costs of program operation;
- Increases the maximum amount of the security deposit that a proprietary school must file;
- Requires the department to provide a system for the electronic submission of all data, subject to appropriation;
- Authorizes the CBHE to issue a two-year certificate of approval;
- Establishes specific time frames for review of new and revised programs; and
- Changes the responsibility for the appointment of the members of the Proprietary School Advisory Committee (PSAC) from the Coordinating Board to the Commissioner of Higher Education.

Although many of these provisions provide sufficient statutory direction for the implementation of the change, a number of the changes require additional policy development through incorporation into the program administrative rule. The administrative rule process provides a consistent public process for adoption of program-related policies, enhances the enforceability of the adopted requirements and provides a foundation for consistent application of program standards.

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Program staff has focused on an open and inclusive process for the implementation of the statutory changes. This included working closely with the CBHE Proprietary School Advisory Committee and seeking input from schools impacted by the changes. To start the process, all certified schools were notified of the enactment of the statutory revisions as part of the annual recertification process.

Development Process

To initiate the administrative rule revisions, department staff met with the PSAC on June 26, 2012, to develop proposed amendments to the current rules. The resulting rule draft was posted to the MDHE website on July 6, 2012, and information was distributed both electronically and in hard copy to current schools and those schools in the initial certification process. A link was available on the MDHE website for interested parties to provide written comments in response to the proposed rule changes. The website advised that comments received on or before July 31, 2012, would be reviewed and, where deemed appropriate, incorporated into the next draft of proposed rule revisions. Comments received after July 31 would be considered and incorporated as time permitted.

On July 13, 2012, department staff participated in the Missouri Association of Private Career Colleges and Schools (MAPCCS) summer conference. Staff provided an overview of the legislation and proposed rules and solicited comments regarding proposed rule changes. Department staff also conducted a webinar on July 24, 2012, which was available to all members of the public. Although participation from proprietary schools in the live webinar was disappointing, the recording of the webinar has been viewed more than 100 times. The webinar also invited individuals to provide written comments on the draft rules. The department ultimately received twenty-one comments from six sources. A summary of those comments and the MDHE response is attached to this board item.

Proposed Revisions

Attached to this agenda item is a copy of the final proposed amendments to the Proprietary School Certification administrative rules. At its August 21, 2012 meeting, the PSAC expressed full support for the adoption of these proposed amendments. A summary of significant rule revisions is provided below.

- **Biennial Recertification** – Schools that meet certain eligibility requirements may apply for and be granted a two year certificate of approval. The most basic eligibility requirement is five years of continuous operation; however, the department is recommending additional criteria to ensure such approval is extended only to those schools that have demonstrated ongoing compliance with state, accreditation and US Department of Education standards.
- **Certification Fee** – The statutory fee formula is based on a percent of the net tuition and fee income generated by the school, with a minimum and maximum limit. The revised minimum annual fee for certification will increase from \$250 to \$500, and the maximum will increase from \$2,500 to \$5,000. The multiplier will increase from \$.001 to \$.0013. All fees collected

by the department will be deposited into a dedicated fund that can only be used to fund the operation of the Proprietary School Certification Program.

- **Security Deposit** – The maximum security deposit will increase from \$25,000 to \$100,000. Security deposits provide financial safeguards for students who suffer damages that may be caused by a school’s failure to maintain certification standards, failure to complete the agreed-upon course of instruction or failure to refund monies to which a student is entitled. This change provides additional protection by requiring schools with larger enrollments to file a higher security deposit. No change was made to the formula for calculating the requirement or in the minimum deposit (\$5,000).
- **Fees** – The revised statute authorizes the Coordinating Board to establish additional fees in order to ensure the revenue generated by the program is sufficient to cover the cost of operations. Fees are being proposed for certain administrative functions such as new applications, substantive changes and program reviews.
- **Program Review** – The revised statutes set out timelines to be followed by the department regarding the review of new program proposals and of substantive program changes. Schools will have a more reliable calendar around which to develop and market new program offerings and to make changes to current programs.

Conclusion

Unchanged since 1991, revision of the proprietary school certification statute was overdue. The changes incorporated through the statutory and administrative rule process will enable the certification program to commit the resources necessary to automate and streamline many program processes and help ensure the department is responsive to the needs of both certified schools and education consumers in Missouri.

STATUTORY REFERENCE

Sections 173.600 through 173.619, RSMo, Proprietary School Certification

RECOMMENDED ACTION

It is recommended that the Coordinating Board direct the Commissioner of Higher Education to take all actions necessary to ensure the attached proposed rulemaking becomes effective as an administrative rule as soon as possible.

ATTACHMENTS

- Attachment A: Summary of Comments and Responses, Proposed Proprietary School Certification Program Administrative Rule Revisions
- Attachment B: Proposed Proprietary School Certification Program Administrative Rule Revisions

Summary of Comments

Proposed Rule Changes to 6 CSR 10-5.010, Rules for Certification of Proprietary Schools

The MDHE received 21¹ written comments from six sources relating to the proposed rule revisions.

COMMENT #1: Two commenters indicated the definitions of “new program” and “substantive change” are unclear regarding the percentage of change allowed (subparagraphs (1)(V) and (DD)). One of the commenters noted that the percentage allowed for substantive change by an accrediting agency is 25 percent while the definition in question indicates a threshold of 20 percent.

RESPONSE: The department defines a program as “a complete academic or vocational educational offering which fulfills the requirements for the awarding of a certificate or degree.” Schools receive approval to offer programs based on specific documentation of programmatic components provided prior to implementation or certification. A modification of more than half of a program’s core components indicates a level of change that is beyond what would normally be considered as refinement or adjustment of existing content. In many instances, changes of this level of magnitude include revision of the scope and stated objectives of the program. As such, it is considered more appropriate to identify such proposals as resulting in a unique program of instruction that would be considered a “new” program. However, the MDHE believes the language as originally proposed was not sufficiently clear, and the revised proposed rule has been amended to clarify the key elements that constitute a program’s core components for a new and a substantively changed program.

Regarding the percentage for determining that a program change is substantive, the 20 percent threshold is a long established policy of the department as the threshold requiring approval by the MDHE. Although some accrediting agencies use a different threshold, the MDHE believes the current threshold is appropriate and does not believe it creates a substantive conflict with accrediting commission requirements. No changes were made as a result of this comment.

COMMENT #2: Two commenters indicated the language regarding negative actions by accreditors as a disqualifying factor in biennial recertification was too imprecise (subparagraph (4)(F)(1)(C)).

RESPONSE: In establishing eligibility criteria for biennial recertification, the department selected US Department of Education recognized institutional accreditation as one element due to the additional oversight offered by these organizations. As such, an institution’s status with and issues of concern identified by that organization must be a consideration in reaching a decision in this matter. The MDHE currently works with at least 12 institutional accrediting agencies, and each has established its own threshold for requiring additional action and terminology to address problems and concerns at the institutions it accredits. The department does not believe it is advisable to attempt to list all areas that comprise “negative actions” by all

¹ The department received 21 comments on 13 topics. Comments regarding the same or substantially similar topics have been combined in this summary.

accrediting agencies. However, in an attempt to further clarify this issue, the proposed rule has been revised to define a negative action as any requirement imposed by an accrediting agency in response to a violation of accreditation criteria that requires a response by the institution or that results in the need for a follow-up visit by the accrediting commission.

COMMENT #3: One commenter indicated the handbooks used to determine general standards of financial responsibility for biennial recertification are constantly updated such that it would be unreasonable to name the publication in the rules (subparagraph (4)(F)(1)(D)).

RESPONSE: Institutions that participate in the federal student aid programs established by Title IV of the Higher Education Act are regularly evaluated by the US Department of Education on general standards of financial responsibility. Those standards are published electronically and in hard copy by the US Department of Education. The intent of this requirement is not to impose a separate test by the MDHE of the institution's compliance with those standards but to require that the institution be currently determined by the USDE to meet those financial responsibility requirements. As such, the department believes changes to those requirements are part of the normal operation of the institution and its participation in these programs, and the proposed rule language simply allows the rule to adapt to any new publication date or title selected by the USDE. No changes were made as a result of this comment.

COMMENT #4: One commenter expressed concern that the 'no formal grievance' criteria would preclude most schools from seeking biennial recertification (subparagraph (4)(F)(1)(G)).

RESPONSE: Subparagraph (1)(R) provides a new definition of formal grievance. Each grievance filed with the department through the approved grievance process is reviewed to determine if the school has violated certification standards. A formal grievance results in a final written decision by the department as to its findings regarding the alleged violation of standards. For the purposes of biennial recertification, only those formal grievances that result in a decision by the department that the school violated certification standards and officially directs the institution to take corrective action will be considered relevant. Formal grievances that conclude there were no violations of certification standards are not considered in the biennial recertification application. No changes were made as a result of this comment.

COMMENT #5: One commenter indicated that the statement, "Have no formal grievance in the five years prior to application for biennial recertification whereby the department has officially directed the school to resolve the grievance through restitution..." was unclear and recommended the phrase "for which" to replace "whereby." (subparagraph (4)(F)(1)(G)).

RESPONSE: In order to ensure sufficient clarity, the MDHE agrees with this comment and has amended the proposed rule regarding this criterion for biennial recertification.

COMMENT #6: One commenter indicated that new branch campuses should be immediately eligible for biennial recertification if such eligibility is currently held by the main campus (subparagraph (4)(F)(1)(I)).

RESPONSE: For biennial recertification, a school must have been in continuous operation for a minimum of five years prior to application. Continuous operation is defined in part as “a certificate of approval to operate that has been maintained without lapse, suspension or revocation.” A certificate of approval to operate is issued only to the main campus of a proprietary school. Branch campuses do not receive a certificate of approval that is independent of the main campus, and therefore are not separately eligible for biennial recertification. However, the MDHE agrees that the establishment of a new branch campus by an otherwise qualified school should not have a negative impact on a main campus’ eligibility for biennial recertification. Alternatively, experience with institutional growth clearly indicates that rapid expansion of institutions through the addition of branch locations often leads to issues with program quality, adequacy of support services and inability to meet financial obligations. Consequently, the provision has been revised to allow for the addition of branch campuses within the biennial recertification provision as long as such expansion occurs within a limited timeframe.

COMMENT #7: One commenter noted that the rule was unclear as to when a school that experiences a negative action may again seek biennial recertification (subparagraph (4)(F)(2)).

RESPONSE: Section 2 under Biennial Recertification indicates schools that fail to maintain eligibility criteria may not reapply for two years. However, the MDHE believes the language as originally proposed was not sufficiently clear and the revised proposed rule has been amended to clarify the timeframe after which a school may re-apply for biennial recertification.

COMMENT #8: Three commenters expressed concern regarding the requirement that schools seeking biennial recertification provide “Other data as determined by the department” (subparagraph (4)(F)(3)(C)). The commenters deemed the phrase too uncertain for schools and the discretion given to the department to be excessive.

RESPONSE: Currently, schools are required to submit documentation during annual recertification that includes school publications, enrollment agreements, transcripts, personnel information, financial information, and information regarding student enrollment and completion. While the department will not require qualifying schools to submit all documentation during each biennial recertification cycle, it is important that certain data be submitted on an annual basis. This data is used by staff to evaluate a school’s continued compliance with operating standards including programs offered, financial stability and trends in enrollment and completion. However, the MDHE believes the language as originally proposed was not sufficiently clear and the revised proposed rule has been amended to clarify the objective of data the department may request during the interim year of biennial recertification.

COMMENT #9: One commenter expressed concern regarding the increase in the minimum certification fee (subparagraphs (4)(H)(1) and (4)).

RESPONSE: The provision to increase the certification fee reflects the modification in the underlying legislation. The department reviewed various funding scenarios to determine a favorable combination of certification and other fees that would allow the Proprietary School Certification Program to become fully fee-funded while also being sensitive to the financial

burden such changes would have on schools. By doubling the certification fee and seeking nominal fees for other administrative tasks, the department seeks to ensure a stable funding stream that will allow the program to modernize/automate processes and to hire additional staff in order to carry out program requirements in a timely manner. No changes have been made as a result of this comment.

COMMENT #10: Four commenters expressed concern with the increase in the maximum amount of the required security deposit from \$25,000 to \$100,000 (subparagraphs (4)(I)(3) and (6)).

RESPONSE: The provision to increase the maximum security deposit from \$25,000 to \$100,000 reflects the modification in the underlying legislation, which had been unchanged since 1983. A security deposit is required to indemnify students in cases of malfeasance by a proprietary school or to assist with preservation of student records if adequate provisions are not made by the school upon closure. During the last school closure process that required the department to call up a security deposit, students were refunded less than ten percent of the financial obligation owed to them by the closing school. While the department understands that increasing the maximum deposit amount may have a financial impact on some schools, the change is statutory in nature and is necessary to provide increased safeguards for students. No changes have been made as a result of this comment.

COMMENT #11: Two commenters supported the proposed changes regarding fees (subparagraph (5)(C)).

RESPONSE: No changes have been made as a result of this comment.

COMMENT #12: One commenter expressed confusion over the wording of the proposed program review timeframes (subparagraphs (8)(E)(4)(D), (G) and (H)).

RESPONSE: The provision to establish timelines for the review of new programs and substantive program changes reflects the modification in the underlying legislation. Schools that submit a new program will be notified by the department of the effective date of receipt after which the department will have 90 days to review the new program, or 60 days from that date to review the revised program, and provide a response to the school. If the department fails to provide a response, the school may choose to offer the program with the understanding that the department's review, which is required within an additional 90 days (for a maximum total of 180 days), may require the school to make modifications that could impact student enrollment agreements. No changes were made as a result of this comment.

COMMENT #13: One commenter indicated an additional subparagraph should be added to the proposed program review rule that would effectively deem a new program as approved after 180 days if the department failed to provide a response and deem a revised program as approved after 150 days if the department failed to provide a response (subparagraphs (8)(E)(4)(G) and (H)).

RESPONSE: The underlying legislation establishes a timeframe during which the department will review new programs and program revisions. The legislation further states that, if the

department fails to meet the initial deadline, the school may offer the program. However, the revised statute states the department “shall notify the school within an additional ninety days” and the school “shall then have ninety days from the date it is informed that a program offering has a deficiency to correct the deficiency...” While the legislation requires a response from the department, the statute does not address the approval of new programs or program changes without review, and it would be inappropriate for the MDHE to expand the rule beyond the authorization provided by the statute. The department remains committed to meeting the deadlines established in the statute. No changes were made as a result of this comment.

**Title 6—DEPARTMENT OF
HIGHER EDUCATION
Division 10—Commissioner of
Higher Education
Chapter 5—Regulation of Proprietary
Schools**

6 CSR 10-5.010 Rules for Certification of Proprietary Schools

- (1) Definitions. Definitions are consistent with those set forth in the statutory authorization.
- (A) “Academic progress” or “satisfactory academic progress” means the policy and procedures for periodically evaluating, measuring, and recording the extent to which each student is meeting stated course or program requirements and objectives, and includes any consequences of failure to do so.
 - (B) “Accredited school” means a school that holds accredited status from a national or regional accrediting agency or association recognized by the United States Department of Education as a reliable authority concerning the quality of education or training provided by institutions of higher education.
 - (C) “Advertising” means any printed, published, recorded, broadcast, electronically transmitted, or publicly presented information that markets or describes the school for any purpose.
 - (D) “Agent” means any employee, solicitor, or other person who, for remuneration, by any means and at a place away from the school premises or site of instruction, enrolls or attempts to enroll a resident of this state in a course or courses of instruction or study offered or maintained by a proprietary school, wherever located, or otherwise holds himself/herself out to a resident of this state as representing a proprietary school for such purposes.
 - (E) “Board” or “Coordinating Board” means the Coordinating Board for Higher Education created by section 173.005(2), RSMo.
 - (F) “Branch campus” or “branch” means a geographically separate and permanent instructional facility, that is derived from and controlled by its main campus. A branch campus may provide complete and distinct programs and employ unique or shared instructional and administrative personnel. A branch may produce and maintain its own institutional and student records.
 - (G) “Certificate” means any award, including a diploma, that does not have a degree designation.
 - (H) “Certificate of approval” means approval by the Coordinating Board to operate a school in compliance with this rule and the provisions of sections 173.600 through 173.619, RSMo.
 - (I) “Certified” or “approved” means having been granted a certificate of approval by the Coordinating Board, pursuant to section 173.604, RSMo.
 - (J) “Contact hour” or “clock hour” means a minimum of fifty (50) minutes of instruction or training that is directed and supervised by an instructor or trainer.
 - (K) **“Continuous operation” means a certificate of approval to operate in Missouri that has been maintained without lapse, suspension or revocation.**
 - (L) “Course” means a defined and unique educational offering with discrete objectives and requirements in support of a program, whether conducted in person, by mail, or through any telecommunication medium.
 - (M) “Credit hour” means the unit of quantitative measurement of educational attainment earned in a course, generally stated in semester, trimester, or quarter hours. The basis of measuring a credit hour shall be defined in accordance with the standards of a school’s accreditor or, in the absence of accreditation, defined to be consistent with the definition of such generally employed at institutions of American higher education, as determined by the department.

- (N) “Degree” means any award, earned or honorary, conferred with the designation of associate, baccalaureate, master, professional or professional development, specialist, or doctorate.
- (O) “Department” means the Department of Higher Education created by section 173.005(1), RSMo.
- (P) “Exempt” means having been determined to be a school or instructional program eligible for release from the provisions of sections 173.600 to 173.619, RSMo, pursuant to section 173.616, RSMo.
- (Q) “Extension site” or “extension” means any geographically separate and either temporary or permanent instructional facility located within reasonable geographic proximity to a main or branch campus, that is entirely auxiliary to and operated by a main or branch campus. An extension site shall not provide distinct programs, employ significant administrative personnel, or maintain its own institutional or student records.
- (R) **“Formal grievance” means a complaint against a certified school that is submitted on forms provided by the department and completes the review process through the final disposition.**
- (S) “Grievance policy” means the internal procedures through which a student may formally make a complaint regarding actions of a school and a school may make its response to such a complaint.
- (T) **“Lapse” means a certificate of approval to operate that has not been renewed by the deadline established by the department.**
- (U) “Main campus” means the primary instructional facility of a school, as so designated by the school. For accredited schools, the main campus is the one to which accreditation is directly conferred and from which other campus locations derive their accreditation.
- (V) **“New program” means an academic or vocational educational offering not previously approved by the department or a current offering delivered in a format not previously approved by the department. New program shall also mean an approved academic or vocational offering whose components, including but not limited to program length, required hours, and/or content, have been modified by 50 percent or more.**
- (W) “Operate” means to establish, keep, or maintain any facility at a location or locations in this state where, from, or through which education is offered or given and shall include contracting with any person, group or entity to perform any such act.
- (X) “Person” means any individual, corporation, partnership, association, or business entity of any kind or description.
- (Y) “Physical presence” means any person or location within the state of Missouri where, from, or through which a school operates for the purpose of conducting an activity relating to postsecondary education, including the granting of certificates or degrees, or for the purpose of recruiting students. Location is defined to include any address, physical site, electronic device, or telephone number within or originating from within the boundaries of the state of Missouri. Physical presence shall also mean a formally scheduled instructional interaction organized by or through a school taking place between two or more students and/or instructors within the state of Missouri.
- (Z) “Program” or “program of instruction” means a complete academic or vocational educational offering which fulfills the requirements for the awarding of a certificate or degree. A program may consist of one or multiple courses, and shall, upon satisfactory completion, fulfill an academic, occupational, or other training objective.
- (AA) “Proprietary school” or “school” means any person not specifically exempted in the authorizing statute which offers or maintains on either a profit or not-for-profit basis within the state of Missouri a course or courses of instruction or study through classroom instruction or correspondence, or which grants certificates or earned or honorary degrees.

- (BB) “Public institution” means a postsecondary educational institution established by provisions of Missouri constitutional or statutory law or established by the voters of the district in which it is located, which is funded fifty percent (50%) or more of its operating costs from public funds; which is governed by a body appointed by the Governor and approved by the Senate, or selected by the voters of the district in which it is located and which operates on a not-for-profit basis.
- (CC) “Religious degree” or “religious program” means any degree or program with a specific theological, biblical, divinity, or other religious designation. Religious degrees or programs shall not include those with a designation that generally denotes a secular degree, including, but not limited to, associate, baccalaureate, master or doctor of arts, science, humanities, philosophy, law, business, education, medicine, and other designations of non-religious disciplines.
- (DD) **“Substantive change” means a modification of 20 percent or more of a program’s components including, but not limited to, program length, required hours, and/or content.**
- (EE) “Transcript” or “transcript record” means a student’s permanent educational record.
- (2) Jurisdiction.

No changes.

(3) Exemption.

- (A) Schools That Shall Be Exempt by Statute. The following schools, training programs, and courses of instruction shall be exempt from the provisions of sections 173.600 to 173.619, RSMo and formal application for that exemption is waived:

1. A public institution;
2. Any college or university represented directly or indirectly on the advisory committee of the Coordinating Board for Higher Education as provided in subsection 3 of section 173.005, RSMo;
3. An institution that is certified by the board as an “approved private institution” under subdivision (2) of section ~~173.1102~~~~173.205~~, RSMo; and
4. A not-for-profit religious school that is accredited by the American Association of Bible Colleges, the Association of Theological Schools in the United States and Canada, or a regional accrediting association, such as the North Central Association, that is recognized by the Council on Postsecondary Accreditation **or its successor organization** and the United States Department of Education.

- (B) Schools That Shall Be Exempted by the Coordinating Board.

No changes.

(4) Application for Certificate of Approval to Operate.

- (A) Application for certification shall be submitted on application forms furnished by the department and must be submitted on or prior to the expiration date with which the forms are stamped when distributed. Decision on an application for certification shall be made on the basis of:

1. Compliance with the standards set forth in this rule and the authorizing statute;
2. Compliance with the instructions for fully completing and submitting the application forms and exhibits;
3. Information, documentation, or verification submitted or received from any source in supplement to the pending application;
4. Research, information, and other documentation collected by the department or by independent experts or consultants; and
5. Site visitation and/or personal interview as deemed appropriate by the department.

- (B) The department may give faith and credit consideration to accreditation by a national or regional accrediting association recognized by the United States Department of Education and to approval by other governmental agencies, including certification or licensing approval by another state. The department may waive any part of the certification procedure for reason of such accreditation or approval.
- (C) The department may waive any part of the certification procedure in any instance where such procedure is deemed by the department to be unnecessary or inappropriate for a given school applicant.
- (D) The submission of applications should allow adequate lead time prior to the applicant's planned date for starting school operations. The applicant's planned start date shall not normally be a consideration for the time frame for decision on an application. Incomplete or inaccurate applications may be returned to the applicant for resubmission. Failure of the applicant to respond in a timely manner to requests for supplementary information or for resubmission of the application may result in **the assessment of a late fee and/or** denial of certification to operate.
- (E) **Annual Recertification.**
1. Certificates to operate shall be issued for a maximum of a one (1)-year period and schools must submit application and be certified annually.
 2. The annual certification year shall be from July 1 to June 30.
 3. Schools initially certified shall be certified from the date of issuance of the certificate of approval to operate to the end of the certification year, June 30.
 4. The closing date for the submission of applications for annual recertification shall be the March 15 immediately preceding the beginning of the certification year and, contingent upon a school submitting an acceptable application on or prior to that closing date, a school's certification status shall not lapse in the event a recertification decision is delayed past the expiration of the then current certification year.
 5. Failure to submit application by the prescribed closing date shall be grounds, without other considerations, for **the assessment of a late fee and/or** denial of a certificate of approval to operate for the next certification year.
- (F) **Biennial Recertification.**
1. **Schools that meet eligibility criteria may request a certificate of approval to operate that is valid for a two (2)-year period. To be eligible for a biennial certificate of approval, a school must:**
 - A. **Be in continuous operation for a period of no less than five years;**
 - B. **Maintain a location or locations in Missouri where, from, or through which education is offered;**
 - C. **Hold current institutional accreditation from a national or regional accrediting association recognized by the US Department of Education and have no current disciplinary actions such as warnings, probation, show cause or other negative actions from the accreditor, meaning any requirement imposed by an accrediting agency in response to a violation of accreditation criteria that requires a response by the institution or that results in the need for a follow-up visit by the accrediting commission;**
 - D. **For schools currently participating in Title IV, currently maintain the general standards of financial responsibility as outlined by the US Department of Education's current Federal Student Aid Handbook and its successor publications;**
 - E. **Have no findings from the school's most recent department site visit that have not been satisfactorily resolved within 60 days of formal notification;**

- F. Have not been placed in a probationary status, within the previous five years, by the department that has not been resolved within the timeframe provided by the probation notice;
- G. Have no formal grievance in the five years prior to application for biennial recertification that the department has officially determined constituted a violation of certification standards; and
- H. Maintain an official cohort default rate of no more than 5 percent below the official threshold rate published by the US Department of Education.
- I. Have not added more than one new branch during the most recent term of biennial recertification granted by the department.
2. Failure to maintain eligibility criteria will result in rescission of the biennial recertification. Schools will be issued a certificate that must be renewed annually. Schools may not reapply for biennial recertification for two years from the date of notification by the department and must meet all eligibility criteria.
3. A school granted a biennial certificate of approval must annually submit to the department:
- A. An annual certification fee;
 - B. Verification of the security deposit; and
 - C. Other data as determined by the department including, but not limited to, information regarding instructional programs offered, financial stability and the enrollment, completion and employment of students.
- (G) Temporary Certification. On decision of the department, a certificate of approval issued to an applicant school or to a school applying for recertification may be issued as a temporary certificate of approval. The effective date of a temporary certificate of approval shall not exceed sixty (60) days. In instances other than a temporary certificate of approval issued for reason of a change of school ownership, the reasons for issuance of the temporary certificate of approval shall be specified by the department. At the termination of the temporary certificate of approval:
1. A temporary certificate of approval may be reissued for one additional period not to exceed sixty (60) days; or
 2. A certificate of approval for the remainder of the then current certification year may be issued.
- (H) Certification Fee. No certificate of approval to operate shall be issued except upon payment of the prescribed certification fee.
1. The certification fee shall be computed on the basis of ~~\$.001~~**\$.0013** per one dollar of net tuition and fees income (excluding refunds, books, tools, and supplies), with a maximum of ~~two thousand five hundred~~**five thousand** dollars (~~\$2,500~~)**(\$5,000)** and a minimum of ~~two hundred fifty~~**five hundred** dollars (~~\$250~~)**(\$500)** per school. Tuition and fees for schools that operate at two (2) or more locations within Missouri may be reported separately or be combined for all locations for purposes of computing the certification fee. The certification fee shall be computed on the basis of data submitted by the institution, subject to verification by the department.
 2. The certification fee for a school upon initial certification to operate shall be computed on the basis of the estimate given in the application of the net tuition income for the first year of operation, except that the fee shall not be less than the minimum of ~~two hundred fifty~~**five hundred** dollars (~~\$250~~)**(\$500)**. The full initial certification fee shall be assessed whether the initial certification is for an entire or partial certification year.

3. The certification fee requirement for a branch campus operated in Missouri by an out-of-state school shall be computed solely on the basis of applicable tuition and fee income at the Missouri branch campus.
 4. For a school having a certificate of approval for the sole purpose of recruiting students in Missouri, the net tuition used for the certification fee computation shall be only that paid, or estimated if initial, to the school by students recruited from Missouri and the fee shall be ~~two hundred fifty~~ **five hundred** dollars ~~(\$250)~~ **(\$500)** plus ~~\$.001~~ **\$.0013** per one dollar of net tuition and fees income (excluding refunds, books, tools, and supplies) **not to exceed five thousand dollars (\$5,000)**.
- (I) Security Deposit. Each proprietary school must file a security deposit with coverage consistent with the statutory requirements of section 173.612, RSMo.
1. The security deposit shall be executed on the prescribed form provided by the department for that purpose. The security deposit shall cover all facilities and locations of the school in the state of Missouri and shall clearly state that it covers the school and agents of the school.
 2. Any bonding company must be approved by the Missouri Department of Insurance.
 3. The amount of the security deposit shall be ten percent (10%) of the preceding year's gross tuition but, in no event, shall be less than five thousand dollars (\$5,000) nor more than ~~twenty five~~ **one hundred** thousand dollars ~~(\$25,000)~~ **(\$100,000)**, except that the school may deposit a greater amount at its own discretion.
 4. The school may comply with the security deposit requirement through any of the following three (3) methods, at the discretion of the school: performance surety bond, irrevocable letter of credit, or cash bond secured by certificate of deposit.
 5. The amount of the security deposit required must be computed and compliance verified with each annual application for certification. Written verification of compliance with the security deposit requirement of the authorizing statute must be presented prior to the issuance of a certificate of approval. Failure of a school to post and maintain the required security deposit may result in denial, suspension, or revocation of certification to operate or the school being placed on probation.
 6. Any school that operates two (2) or more main campuses in the state may combine, or report separately, gross tuition for all locations for the purpose of determining the annual security deposit requirement. However, if the combined gross tuition calculates a security deposit requirement in excess of the ~~twenty five~~ **one hundred** thousand dollars ~~(\$25,000)~~ **(\$100,000)** maximum, the gross tuition shall be reported separately, and the requirement calculated separately.
 7. The security deposit requirement for a branch campus operated in Missouri by an out-of-state school shall be computed solely on the basis of applicable tuition and fee income at the Missouri branch campus.

(5) Fees.**(A) Fees should be made payable to the Missouri Department of Higher Education.****(B) All fees are non-refundable.****(C) The following fees shall be paid:**

1. Initial Application for Certification (to be credited toward the certification fee)	\$200
2. Initial Application for Exemption	\$50
3. Application to Establish a Branch Campus	\$100
4. Application to Establish an Extension Site	\$50
5. New Program Review (Certificate)	\$100
6. New Program Review (Associate)	\$200
7. New Program Review (Bachelor and Graduate)	\$500
8. Substantive Change Review (Certificate)	\$50

9. Substantive Change Review (Associate)	\$100
10. Substantive Change Review (Bachelor and Graduate)	\$250
11. Change of Ownership, Name, Location	\$100
12. Student Record Verification (per copy)	\$10
13. Late Fee (per day)	\$10

- A. A late fee of ten dollars (\$10) per day exclusive of Saturday, Sunday and holidays, not to exceed a maximum of one thousand five hundred dollars (\$1,500), will be assessed on certified schools that fail to respond, within a timeframe to be stated in official correspondence, to the department's request for information or documentation related to recertification, grievances, department site visits or probation.
- B. The late fee may be waived in whole or in part at the discretion of the department.
- (D) Unaccredited degree-granting schools seeking initial certification to operate in Missouri may be required to undergo a pre-certification site visit by department staff and external consultants with expertise in higher education. The applicant school is responsible for all reasonable costs associated with the site visit.
- (E) Certified schools are responsible for travel expenses for all members of a department on-site review team when such review is scheduled in response to concerns raised by accreditors, students, or the general public.

(6) Certification Standards.

No change.

(7) Information and Data Standards.

No change.

(8) Operating Standards.

- (A) The certificate of approval issued by the Coordinating Board indicating a school's approval to operate in compliance with sections 173.600 to 173.619, RSMo and the provisions of this rule shall be, at all times during the term of its validity, displayed in a conspicuous place on, and only on, the premises listed on the face of the certificate of approval so that persons visiting the premises may readily see the certificate of approval.
- (B) Any school that closes or whose certificate of approval is suspended, revoked, or not renewed shall, on the approval of the department, take one of the following actions:
1. Make partial or full refund of tuition and fees to the students enrolled;
 2. Continue operation under a temporary certificate until students enrolled have completed the program for which they are enrolled;
 3. Make arrangements for another school or schools to complete the instruction for which the students are enrolled;
 4. Employ a combination of these methods in order to fulfill its obligations to the students; or
 5. Implement other plans approved by the department.
- (C) A school must maintain a location or locations for all student records, including the student transcript, for both current and former students, that can reasonably assure their proper security, protection, and accessibility.
- (D) In the event a school terminates its operations, it must file or make arrangements to file all student transcripts and financial account records, in paper and/or electronic form, in an appropriate permanent repository approved by the department within fourteen (14) days of the termination date. Failure to do so shall result in forfeiture of the security deposit as required by section 173.612, RSMo.
- (E) Scope of Certificate of Approval.
1. Branch campuses and extension sites of Missouri schools.

- A. Application for a certificate of approval to operate shall be made by and through a location designated as the main campus of a school indigenous to Missouri. A certification application shall be made by a main campus on behalf of its branch campuses. The application shall identify all locations proposed to be operated by the school.
 - B. All certificates of approval to operate shall specify the instructional locations and program(s) of instruction for which the certificate is valid. In addition to the certificate issued to the main campus, certificates of approval to operate shall be issued only for those locations and programs defined and listed in the annual application for certification as branch campuses.
 - C. Approval to operate locations as extension sites, as defined and listed in the annual application for certification, shall be extended from the certificate of a main or branch campus.
 - D. The certification to operate of the main campus or any of its branches or extensions may be denied, revoked, suspended, or placed in a status of probation. Such action may be deemed by the department to apply to all locations under the jurisdiction of that certificate of approval to operate.
2. Franchises of Missouri schools.
- A. All locations at which instruction is proposed to be offered by a franchisee of a franchisor approved to operate shall be deemed a location within the scope of such franchisor's approval, provided that the franchisor provides the course curriculum and guidelines for teaching at each location and that a single location is identified as the principal facility for record keeping.
 - B. Denial, revocation, or suspension of certificates of approval to operate for a franchisor shall be deemed to apply to all franchisee locations. The certification of an individual franchisee (as listed on the franchisor's application for certification) may be denied, revoked, suspended or placed in a status of probation for just cause.
3. Changes in physical location.
- A. The department must be notified at least thirty (30) days prior to the effective date of proposed changes in or additions to the location(s) of the school operations.
 - B. Such changes shall not be effective except on review and authorization by the department.
 - C. As a condition of authorization for the implementation of changes and additions of location under the school's certificate to operate, accredited schools must provide written documentation of the approval of such changes by the accrediting association.
4. Programmatic additions, discontinuances, and revisions.
- A. The department must be notified at least thirty (30) days prior to the effective date of **non-substantive** programmatic additions, discontinuances, and revisions (including but not limited to changes in name, length, cost, or objective).
 - B. Substantive revisions to existing programs of instruction and the initiation of proposed new program offerings must be submitted for review in the format established by the department. The school must demonstrate that revised and additional programs are in compliance with certification standards, as described in paragraph (5)(B)1. of this rule, in order for these programs to be approved for inclusion within the scope of the certificate of approval. Such changes shall not be effective except on authorization by the department.

- C. As a condition of authorization for the implementation of programmatic changes under the school's certificate to operate, accredited schools must provide written documentation of the approval of such changes by the accrediting association.
- D. **Schools must submit a complete proposal to the department at least ninety (90) days prior to implementation of a new program. Incomplete proposals will be returned without review. A complete proposal must include at least the following, as prescribed by the department.**
- (1) A signed letter of notification
 - (2) A complete new program request form
 - (3) All required new program request form attachments
 - (4) Payment of any required fees
- E. **Schools must submit a complete proposal to the department at least sixty (60) days prior to implementation of a substantive change to an existing program. Incomplete proposals will be returned without review. A complete proposal must include at least the following, as prescribed by the department.**
- (1) A signed letter of notification
 - (2) A complete program revision request form
 - (3) All required program revision request form attachments
 - (4) Payment of any required fees
- F. **Upon receipt of a complete proposal for a new program or a substantive change to an existing program, the department will provide an acknowledgement to the school that includes the official date of receipt.**
- G. **The department must provide the school with a written response to a proposal for a new program within ninety (90) calendar days or a substantive change to an existing program within sixty (60) calendar days. The response may notify the school of final approval, tentative approval, or additional information that must be submitted to complete the review. If the response is not provided within the required timeframe, the school may offer the program until the department completes its review and identifies a substantive issue or issues that need correction.**
- H. **If the department fails to provide a written review within the time frame established in paragraph (8)(E)4.G. of this rule, the department will notify the school of the results of the review within ninety (90) days of the expiration of the initial timeframe. The school will then have ninety (90) days from that notice to correct identified deficiencies without ceasing to offer the program. The school must cease offering the new or revised program if it fails to make the required corrections within the ninety (90) time period.**
- (F) Change of Ownership.
1. A certificate of approval is nontransferable. A change in the sole proprietor of a school, a change in the majority interest of general partners of a partnership owning a school, or a change in a majority stock ownership of a school shall be deemed a transfer of ownership.
 2. Within thirty (30) days of such transfer the new owner shall make application for a new certificate of approval on application forms as determined by the department.

3. This application shall be processed like an initial application except the Coordinating Board may issue a temporary certificate, to be effective for a maximum of sixty (60) days if the chief administrator furnishes a written statement asserting that all conditions set forth in the rule are being met or will be met before offering training or education.
4. Failure to make application to the department, when a change of ownership occurs, shall be grounds for placing a school on probationary status or for suspension, revocation, or denial of a certificate of approval.

(G) Change of School Name.

1. The department must be notified at least thirty (30) days prior to the effective date of proposed changes in the official name of a school. Name changes shall not be effective except on authorization by the department.
2. As a condition of authorization for the implementation of a name change under the school's certificate to operate, accredited schools must provide written documentation of the approval of the change by the accrediting association.

- (H) Except as pursuant to the initial approval to operate, a certificate of approval will not be issued to any school that has reported no student enrollments during the previous certification year. A school having a full certification year without student enrollments shall be deemed as not being a school eligible for certification.

(9) Certification of Out-of-State Institutions.

No change.

(10) Probation, Suspension and Revocation of a Certificate of Approval.

No change.

AGENDA ITEM SUMMARY

AGENDA ITEM

Proprietary School Certification Actions and Reviews
Coordinating Board for Higher Education
September 5, 2012

DESCRIPTION

All program actions that have occurred since the June 6, 2012, Coordinating Board meeting are reported in this item. In addition, the report includes information concerning anticipated actions on applications to establish new postsecondary education institutions, exemptions from the department's certification requirements, school closures and annual recertification.

STATUTORY REFERENCE

Sections 173.600 through 173.619, RSMo, Regulation of Proprietary Schools.

RECOMMENDED ACTION

This is an information item only.

ATTACHMENT

Proprietary School Certification Program Actions and Reviews

**Coordinating Board for Higher Education
Proprietary School Certification Program Actions and Reviews**

Certificates of Approval Issued (Authorization for Instructional Delivery)

Court Reporting Institute of St. Louis
Clayton, Missouri

This for-profit institution, owned by Vatterott Educational Centers, is a branch campus of the Court Reporting Institute of Dallas. The school offers associate programs in court reporting and non-degree programs in paralegal studies, electronic evidence discovery, legal assistant and voice writing. The mission of the school is to provide students with industry standard learning tools in order to achieve academic goals. This school is accredited by the Accrediting Council for Independent Colleges and Schools.

Dental Assisting of West County
Ellisville, Missouri

This for-profit school offers a non-degree program in dental assisting designed to provide the “confidence and skills necessary to apply for and be hired in dental assistant positions.” This school is not accredited.

Dental Careers Institute
O’Fallon, Missouri

This for-profit institution offers certificates in dental assisting, dental business office and dental business advanced. The mission of the institution is to provide students with a basic understanding of the field of dentistry and obtain the skills necessary for a successful and rewarding career. This school is not accredited.

Hope Montessori Educational Institute
Lake St. Louis, Missouri

This not-for-profit institution offers a non-degree early childhood Montessori teacher training program. The school’s mission is “to insure the transmission of quality Montessori education through the development of teachers and schools that nurture creativity, curiosity, compassion, respect and a joyfulness for life.” The school is not accredited.

National American University – Weldon Spring
Weldon Spring, Missouri

This for-profit institution currently operates in Independence with branch campuses in Kansas City, Lee’s Summit and Knob Noster. The Weldon Spring location is certified to operate as a new main campus that offers associate and baccalaureate programs in accounting, allied health, business administration, criminal justice and information technology. The school is accredited by the Higher Learning Commission.

Coordinating Board for Higher Education
September 5, 2012

Sanford-Brown College – St. Peters
St. Peters, Missouri

This for-profit institution, owned and operated by the Career Education Corporation, previously operated as a branch campus of Sanford-Brown College located in Fenton, Missouri. As part of a restructuring initiative whereby all CEC schools would be consolidated under one Office of Postsecondary Education Identification number, the branch campus submitted an application for certification to operate as a main campus in Missouri. The school offers certificate and associate of applied science degrees in allied health fields as well as a Bachelor of Science degree in Nursing. This school is accredited by the Accrediting Council for Independent Colleges and Schools.

Yuppy Puppy Pet Styling Academy
O’Fallon, Missouri

This for-profit institution offers a 12-week pet styling non-degree program. The school’s objective is to “provide extensive knowledge on anatomy, behavior, breeds, coat types, prep work, bathing, finishing, cleanliness, and customer service.” This school is not accredited.

Certificates of Approval Issued (Authorization Only to Recruit Students in Missouri)

Strayer University
Washington, D.C.

Strayer University is approved to recruit students from Missouri for enrollment in its online instructional programs delivered from their campus in Washington, DC. The school offers non-degree and associate, bachelor and master’s degree programs in accounting, business and information systems, criminal justice, economics, health services administration, human resource management and public administration. The school is accredited by the Commission on Higher Education of the Middle States Association of Colleges and Schools.

Applications Pending Approval (Authorization for Instructional Delivery)

E-ion Academy
St. Louis, Missouri

This for-profit school proposes to offer a certificate program for a Home Environment Analyst. The mission of the school is to provide high quality instruction geared to preparing students for employment in occupations that provide social benefit for the community. This school is not accredited.

L'Ecole Culinaire – Kansas City
Kansas City, Missouri

This for-profit institution, a branch of Vatterott College located in Quincy, Illinois, proposes to offer an associate program in culinary and restaurant management and several non-degree certificate programs in the culinary arts. The mission of the school is to provide the basic skills and understanding of common techniques and procedures so that the graduate is qualified to begin employment in a trade or vocation. This school is accredited by the Accrediting Commission of Career Schools and Colleges.

The Stone Institute
Maryland Heights, Missouri

This for-profit school proposes to offer non-degree programs in reflexology and ancillary subjects. The mission of the school is to provide professional training and continuing education in reflexology and reflexive therapies, massage, energywork and wellness. This school is not accredited.

Applications Pending Approval (Authorization Only to Recruit Students)

None

Exemptions Granted

Computer Systems Institute
Creve Coeur, Missouri

This for-profit institution, also operating as The ESL Academy, applied for exemption to provide English language instruction to international students. The institution was exempted as “a school that offers instruction only in subject areas that are primarily for avocational or recreational purposes (as distinct from courses that are creditable toward a certificate or degree or that teach employable or marketable knowledge or skills).” This school is accredited by the North Central Association Commission on Accreditation and School Improvement Office of Postsecondary Education.

Bethel Community Computer Center
Kansas City, Missouri

This not-for-profit institution, operated by the Bethel African Methodist Church, applied for exemption in order to provide certificate programs to adults in their local community. The institution was exempted as “a not-for-profit school owned, controlled and operated by a bona fide eleemosynary (charitable) organization that provides instruction with no financial charge to its students and at which no part of the instructional cost is defrayed by or through programs of governmental student financial aid, including grants and loans, provided directly to or for individual students.” This school is not accredited.

W.E.B. DuBois Learning Center
Kansas City, Missouri

This not-for-profit institution will offer certificate programs intended to “raise the performance level of underserved communities through educational services and applied state of the art technology.” The institution was exempted as “a not-for-profit school owned, controlled and operated by a bona fide eleemosynary (charitable) organization that provides instruction with no financial charge to its students and at which no part of the instructional cost is defrayed by or through programs of governmental student financial aid, including grants and loans, provided directly to or for individual students.” This school is not accredited.

School Closures

Foley-Belsaw Institute
Kansas City, Missouri

This unaccredited, for-profit school offers a wide range of non-degree programs by correspondence study. Earlier this year, the school made the decision to move its primary location to Wisconsin and cease operations in Missouri. For purposes of the certification program, this constitutes a school closure. Department staff monitored the closure process to ensure students were able to complete their programs of instruction and verified the appropriate storage of all student related records, as required by Missouri statutes. Compliance with those requirements has been confirmed, and the closure process is considered complete.

Applications Pending Approval (Annual Recertification)

The following is a listing of institutions that submitted applications for recertification for the 2012-2013 certification year. Most certificates of approval have been issued at this time; however, some continue to be reviewed by program staff. Pending satisfactory response to staff review, it is expected that all listed schools will receive a certificate of approval for the 2012-2013 certification year, which began on July 1, 2012.

Authorization for Instructional Delivery

A Gathering Place-Wellness Ed. Center	Maryland Heights, MO
American College of Technology#	Saint Joseph, MO
American Trade School	Overland, MO
American Woodworking Academy	Fenton, MO
Anthem College*	Maryland Heights, MO
Anthem College-KC**	Kansas City, MO
Aviation Institute of Maintenance	Kansas City, MO
Baker University**	Kansas City, MO
Baker University**	Lee's Summit, MO
Baker University**	St. Joseph, MO
Barbizon School of Clayton	Clayton, MO

Benedictine College	Kansas City, MO
Broadcast Center	St. Louis, MO
Brown Mackie College	St. Louis, MO
Bryan College	Springfield, MO
C-1 Truck Driver Training	Strafford, MO
Canine Specialty Training	Independence, MO
Center for Practical Bioethics	Kansas City, MO
Central Missouri Dental Assisting	Warrensburg, MO
Chamberlain College of Nursing	St. Louis, MO
Cherry Hill Dental Program of Dental Assisting	Columbia, MO
City Vision College#	Kansas City, MO
Colorado Technical University**	North Kansas City, MO
Concorde Career College	Kansas City, MO
Concordia University – Nebraska	Kansas City, MO
Daruby School*	St. Louis, MO
DeVry University**	Kansas City, MO
DeVry University**	Kansas City, MO
DeVry University**	St. Louis, MO
Elements of Wellness School of Massage	St. Louis, MO
Everest College**	Earth City, MO
Everest College	Kansas City, MO
Everest College	Springfield, MO
Focuspath Professional Training	St. Louis, MO
Global University#	Springfield, MO
Graceland University	Cameron, MO
Graceland University	Chillicothe, MO
Graceland University**	Independence, MO
Graceland University**	Trenton, MO
Grantham University#	Kansas City, MO
Guadalupe Culinary Arts Institute	Kansas City, MO
H & R Block Eastern Tax Service*	Kansas City, MO
Healing Arts Center	Maplewood, MO
Heartfelt Training Program	Kansas City, MO
Heartland Horseshoeing School	Lamar, MO
Heritage College**	Kansas City, MO
Hickey College	St. Louis, MO
Hi-Tech Charities	St. Louis, MO
IHM Health Studies Center*	St. Louis, MO
International Institute of Metro St. Louis	St. Louis, MO
International School of Professional Bartending	Kansas City, MO
ITT Technical Institute**	Arnold, MO
ITT Technical Institute	Earth City, MO
ITT Technical Institute**	Kansas City, MO
ITT Technical Institute**	Springfield, MO
Jackson Hewitt Tax School	Warrenton, MO
JobKey Institute	St. Louis, MO

Just Practice Yoga	St. Louis, MO
Kansas City Center/Montessori Education	Kansas City, MO
Kaplan University**	St. Louis, MO
L'Ecole Culinaire	St. Louis, MO
Laurel Institute for Dental Assistants	St. Peters, MO
Le Cordon Bleu College of Culinary Arts	St. Peters, MO
Lesley University**	Blue Springs, MO
Lesley University**	Columbia, MO
MERS/Missouri Goodwill Industries*	St. Louis, MO
Metro Business College*	Cape Girardeau, MO
MidAmerica Nazarene University**	Kansas City, MO
Midwest Institute	Kirkwood, MO
Midwestern Training Center	Hazelwood, MO
Missouri Auction School	Grandview, MO
Missouri College	St. Louis, MO
Missouri Montessori Teacher Education Program	Chesterfield, MO
Missouri Taxidermy Institute	Linn Creek, MO
Missouri Tech	St. Louis, MO
Missouri Welding Institute, Inc.	Nevada, MO
Montessori Training Center of St. Louis	St. Louis, MO
MTTI-Wellspring Center for Natural Healing	Kansas City, MO
National American University*/**	Independence, MO
New Horizons Computer Learning Center	Springfield, MO
Olivet Nazarene University**/#	Bourbonnais, IL
On-Line Training Center	Ferguson, MO
Ottawa University**	Lee's Summit, MO
Petropolis Academy of Grooming & Training	Chesterfield, MO
Pinnacle Career Institute*	Kansas City, MO
Premier Knowledge Solutions, Inc.	St. Louis, MO
Professional Massage Training Center	Springfield, MO
Quality Testing Services	Maryland Heights, MO
Research Medical Center	Kansas City, MO
Route 66 CDL & Apprenticeship	Strafford, MO
Sanford-Brown College*	Fenton, MO
Sanford-Brown College*	Hazelwood, MO
Southern Missouri Truck Driving School	Malden, MO
Southwest Missouri Allied Health Education	West Plains, MO
St. Charles Flying Service	St. Charles, MO
St. Louis College of Health Careers*	St. Louis, MO
St. Luke's Hospital of Radiologic Technology	Kansas City, MO
Stevens Institute of Business & Arts	St. Louis, MO
Summit Dental Assisting Academy	Lee's Summit, MO
The Art Institute of St. Louis**	St. Louis, MO
The Bartending Institute	St. Louis, MO
The George Washington University	St. Louis, MO
The Tom Rose School	High Ridge, MO

TXK Technology Center	Springfield, MO
University of Mary**	Kansas City, MO
University of Phoenix**	Kansas City, MO
University of Phoenix**	Springfield, MO
University of Phoenix**	St. Louis, MO
Urban League Business Training Center	St. Louis, MO
Vatterott College*	Berkeley, MO
Vatterott College**	St. Joseph, MO
Victory Trade School	Springfield, MO
Westwind CDL Training Center	Cuba, MO
Witte Truck Driving School	Troy, MO
W.T.I. Joplin Campus	Joplin, MO

Authorization Only to Recruit Students

Anthem College-AZ	Phoenix, AZ
Ashford University*/#	Clinton, IA
At-Home Professions#	Fort Collins, CO
DeVry University	Phoenix, AZ
Grand Canyon University	Phoenix, AZ
Kaplan University-Online#	Ft. Lauderdale, FL
Lincoln College of Technology*	Indianapolis, IN
Lincoln College of Technology-TN	Nashville, TN
National American Univ-Distance Learning#	Rapid City, SD
Redstone College	Broomfield, CO
Spartan College of Aeronautics & Technology	Tulsa, OK
Tulsa Welding School*	Tulsa, OK
Universal Technical Institute*	Phoenix, AZ
Universal Technical Institute	Avondale, AZ
Universal Technical Institute	Glendale Heights, IL
Universal Technical Institute	Houston, TX
University of Phoenix Online#	Phoenix, AZ
University of Southern California	Los Angeles, CA
Wyoming Technical Institute*	Laramie, WY
WyoTech	Ormand Beach, FL

- * Denotes main campus of a multi-campus system.
- ** Denotes a Missouri location for an institution based outside of the state.
- # Denotes an institution that primarily offers distance education programs.

AGENDA ITEM SUMMARY

AGENDA ITEM

Higher Education Subcommittee of the Homeland Security Advisory Council Update
Coordinating Board for Higher Education
September 5, 2012

DESCRIPTION

The Higher Education Subcommittee of the Homeland Security Advisory Council was established in 2007, following the shootings on the campus of Virginia Tech University, to advise the Homeland Security Advisory Council on safety initiatives related to higher education in Missouri. The HES-HSAC provides a forum for college and university safety officials to discuss homeland security related issues to ensure that campus safety planning and preparation is pro-active and preventative. The efforts of this subcommittee are relevant and essential to the safety of students, faculty, staff and campus visitors at our institutions of higher education. This board item provides an update on the work of the HES-HSAC to help campuses plan for all types of hazards.

Current Events and Initiatives:

The HES-HSAC events:

2012 Missouri Safe Schools and Colleges Conference - The HES-HSAC collaborated with the Missouri School Boards' Association and the Department of Public Safety Office of Homeland Security in sponsoring the Missouri Safe Schools and Colleges Conference. The conference was held July 19-20, 2012, at Tan-Tar-A resort in Osage Beach, Missouri. Attendees included faculty and administrators from all education sectors, students, law enforcement, health care and emergency personnel. Commissioner Russell introduced Aaron Lewis, Asst. A.D. for Missouri Southern State University. Mr. Lewis spoke on his duties and experiences related to MSSU providing shelter for residents of Joplin who were displaced during the Joplin, Missouri tornado disaster. The conference provided speakers and sessions on best practices, enhancing prevention and preparedness strategies for both K-12 and higher education in dealing with issues such as bullying, natural disasters, behavioral health, suicide prevention, sexual assaults, campus safety self assessments and positive use of social media in education.

Homeland Security Advisory Council - Key Issues have included grant funding, Cyber Security, Homeland Security Alert Network, Homeland Security Regional Response System, Emergency Resource Information Plan and Fusion Centers.

Missouri Center for Education Safety - We established a Behavior Analysis sub-group to focus on best practices for creating a safe and secure environment for students. There were numerous discussions about law enforcement responsibility to identify and secure students that pose threats to themselves or others and mental health professionals' perspectives which encourages a community engagement strategy that utilizes faculty, staff and students to create an atmosphere that nurtures troubled students in a proactive, preventive way.

Coordinating Board for Higher Education
September 5, 2012

State Emergency Management Agency Mass Care Committee - One of the topics was what role should colleges and universities play as transitional housing for victims of a disaster. MSSU and its role during the Joplin tornado disaster have been cited as positive examples of what an institution can do to support first and sustaining responders following a natural disaster.

Quarterly Emergency Support Function # Regional Interagency Steering Committee Subcommittee Meeting: On August, 16, 2012, FEMA Region VII conducted the subcommittee meeting at the USDA Beacon Facility in Kansas City, MO. The meeting focused on the National Mass Care Strategy (NMCS). The proposed NMCS is collective strategy lead by the Federal Emergency Management Agency, the American Red Cross and the National Voluntary Organizations Active in Disaster that incorporates a whole community approach to disaster response.

Conclusion

Recent tragedies like the shooting near the Texas A&M campus emphasize that it is essential to be proactive concerning safety on the campuses of Missouri colleges and universities. The Higher Education Subcommittee of the HSAC has ramped up its role to lead those efforts. HES-HSAC provided its members with a short survey about the duties, role and responsibilities of the committee. MDHE staff will use the written responses and phone conversations will be used with each committee member to enhance and improve the committee's ability to identify best practices in campus safety and security and support collaborative, multi-disciplinary approaches in planning and preparing for hazards. HES-HSAC will continue to serve as a catalyst for the collaboration of multiple stakeholders to foster a culture of preparedness and safety on Missouri campuses.

STATUTORY REFERENCE

Governor's Executive Order 06-09

RECOMMENDED ACTION

This is an information item only.

ATTACHMENTS

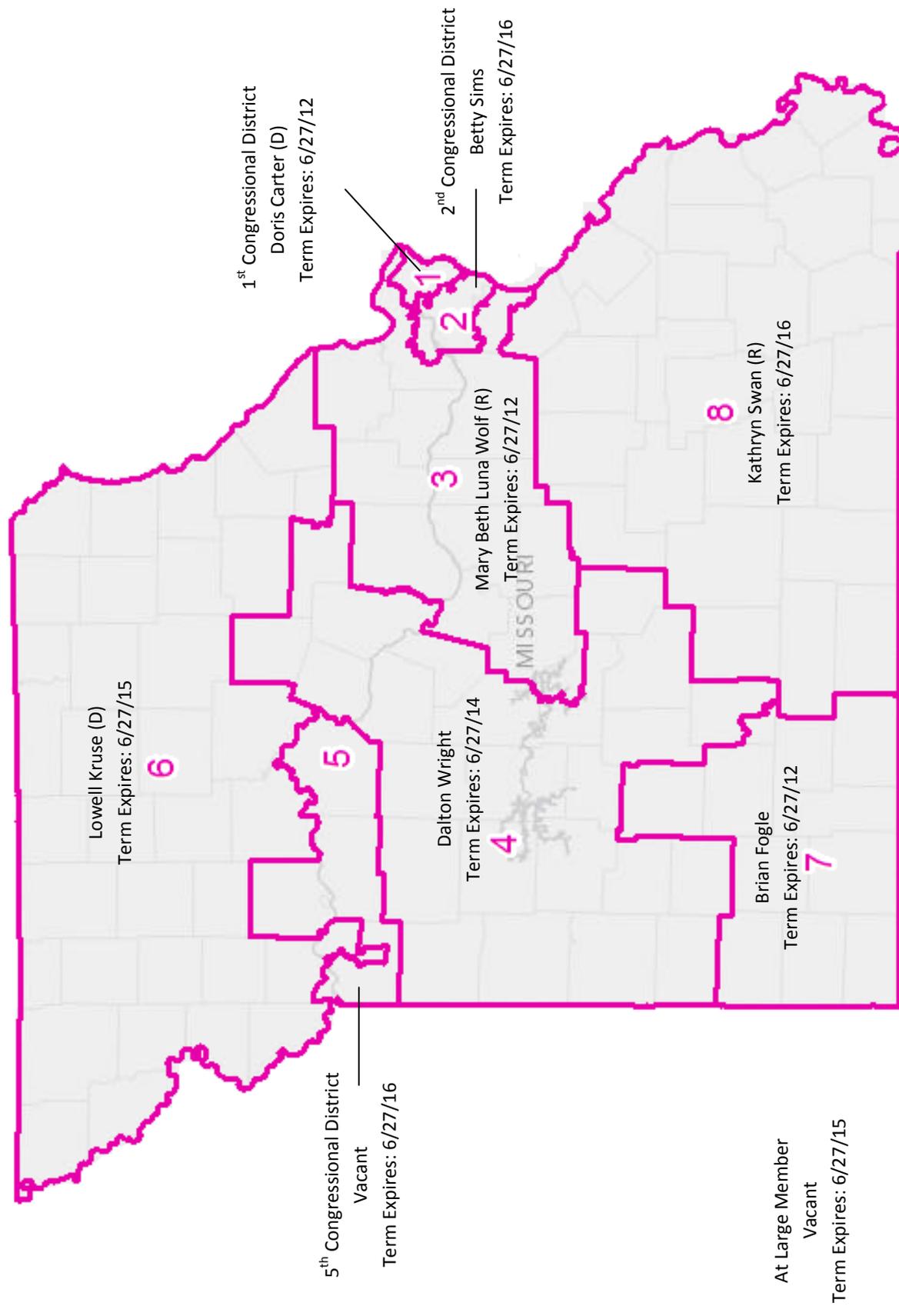
None.

Coordinating Board for Higher Education Members by Congressional District

Missouri's Congressional Districts

District	Description or boundary	Population
1	St. Louis County (part of) and St. Louis City	748,616
2	Counties of Jefferson (part of), St. Charles (part of), St. Louis County (part of)	748,616
3	Counties of Jefferson (part of), Franklin, Gasconade, Maries, Osage, Cole, Callaway, Montgomery, Warren, Lincoln (part of), St. Charles County (part of), Miller, Camden (part of)	748,615
4	Counties of Audrain (part of), Randolph, Boone, Howard, Moniteau, Cooper, Morgan, Camden (part of), Hickory, Benton, Pettis, Johnson, Henry, St. Clair, Cedar, Dade, Barton, Vernon, Bates, Cass, Dallas, Laclede, Pulaski, Webster (part of)	748,616
5	Counties of Jackson (part of), Ray, Lafayette, Saline, Clay (part of)	748,616
6	Counties of Lincoln (part of), Audrain (part of), Ralls, Marion, Shelby, Lewis, Monroe, Knox, Clark, Scotland, Schuyler, Adair, Macon, Chariton, Linn, Sullivan, Putnam, Mercer, Grundy, Livingston, Carroll, Caldwell, Daviess, Harrison, Worth, Gentry, DeKalb, Clinton, Clay (part of), Jackson (part of), Platte, Buchanan, Andrew, Nodaway, Holt, Atchison	748,616
7	Counties of Jasper, Newton, McDonald, Lawrence, Barry, Stone, Taney, Christian, Greene, Polk, Webster (part of)	748,616
8	Counties of Ozark, Douglas, Wright, Texas, Howell, Oregon, Shannon, Dent, Phelps, Crawford, Washington, Jefferson (part of), Iron, Reynolds, Carter, Ripley, Butler, Wayne, Madison, St. Francois, Ste. Genevieve, Perry, Bollinger, Cape Girardeau, Scott, Stoddard, Mississippi, New Madrid, Pemiscot, Dunklin	748,616

Coordinating Board for Higher Education Members by Congressional District



STATUTORILY REQUIRED FUNCTIONS OF THE CBHE/MDHE

(as of May 31, 2011)

Fiscal

- Establish guidelines for appropriation requests by public 4-year institutions (§ 173.005.2(3))
- Approve a community college funding model developed in cooperation with the community colleges (§ 163.191.1)
- Submit an aggregated community college budget request (§ 163.191.1)
- Request appropriations based on number of students receiving Pell grants (§ 173.053)¹
- Oversee implementation of the Higher Education Student Funding Act (“Tuition Stabilization”), including the adjudication of waiver requests submitted by institutions proposing to raise tuition at a rate that exceeds the statutory guideline (§ 173.1003.5)
- Recommend to governing boards of state-supported institutions, including public community colleges, formulas to be employed in specifying plans for general operations, development and expansion and requests for appropriations from the general assembly (§ 173.030(3))
- Promulgate rules to include selected off-campus instruction in public colleges and university appropriation recommendations where prior need has been established in areas designated by the CBHE (§ 173.030(4))
- Request appropriations to match USAID funds for purposes of facilitating international student exchanges (§ 173.730)

Planning

- Conduct studies of population and enrollment trends affecting institutions of higher education in the state (§ 173.020(1))
- Identify higher education needs in the state in terms of requirements and potential of young people and in terms of labor force requirements (§ 173.020(2))
- Develop arrangements for more effective and more economical specialization among institutions in types of education programs offered and students served and for more effective coordination and mutual support among institutions in the utilization of facilities, faculty and other resources (§ 173.020(3))
- Design a coordinated plan for higher education for the state and its subregions (§ 173.020(4))
- Develop in cooperation with DESE a comprehensive assessment of postsecondary vocational technical education in the state (§ 178.637.2)²
- Collect information and develop comparable data for all institutions of higher education in the state and use it to delineate areas of competence of each of these institutions and for any other purposes the CBHE deems appropriate (§ 173.005.2(8))
- Establish state and institution-specific performance measures by July 1, 2008 (§ 173.1006.1)
- Conduct institutional mission reviews every 5 years (§ 173.030(7))
- Review and approve applications from institutions for statewide missions (§ 173.030(8))
- Issue annual report to Governor and General Assembly (§ 173.040)
- Report to Joint Committee on Education (§ 173.1006.2)

¹ Requirement established in 1988 and required determining in that year the number of students then receiving maximum Pell grants and using that figure in subsequent year appropriation requests. Apparently, this has never been done.

² This was a one-time requirement to be completed by August 1996 in connection with the establishment of Linn State Technical College. There is no statutory requirement to keep the assessment updated.

Academic Programs

- Review public and independent academic programs and approve public programs (includes out-of-state coming to Missouri) (§§ 173.005.2(1) & (11))
- Recommend to governing boards the development, consolidation or elimination of programs, degree offerings, physical facilities or policy changes deemed in the best interests of the institutions or the state (§ 173.030(2))
- Approve out-of-district courses offered by community colleges (§ 163.191.4)
- Establish competencies for entry-level courses associated with an institution's general education core curriculum (§ 173.005.2(7))
- Determine extent to which courses of instruction in the Constitution of the U.S. and of MO and in American history should be required beyond high school and in colleges and universities (§ 170.011.1)
- Establish guidelines that facilitate transfer of students between institutions (§ 173.005.2(7))
- Administer the Studies in Energy Conservation Fund in collaboration with Department of Natural Resources and, subject to appropriations, establish full professorships of energy efficiency and conservation (§ 640.219.1)
- Promulgate rules to ensure faculty credentials and student evaluations are posted on institutional websites (§ 173.1004)
- Cooperate with the Department of Corrections to develop a plan of instruction for the education of offenders (§ 217.355)

Institutional Relationships

- Coordinate reciprocal agreements between or among institutions at the request of one or more of the parties (§ 173.030(5))
- Encourage cooperative agreements between public 4-year institutions that do not offer graduate degrees and those that do offer them for purposes of offering graduate degree programs on the campuses of the public 4-year institutions that do not otherwise offer graduate degrees (§173.005.2(2))
- Approve new state supported senior colleges or residence centers (§ 173.005.2(4))
- Establish admission guidelines consistent with institutional missions (§ 173.005.2(5))
- Establish guidelines to help institutions for institutional decisions relating to residence status of students (§ 173.005.2(6))
- Conduct binding dispute resolutions with regard to disputes among public institutions that involve jurisdictional boundaries or the use or expenditure of any state resources (§ 173.125)
- Impose fines on institutions that willfully disregard state policy (§ 173.005.2(10))
- Receive biennial reports from all public institutions on the number and language background of all teaching assistants, including a copy of the institution's current policy for selection of graduate teaching assistants (§ 170.012.4)
- Promulgate model conflict of interest policy that is to govern all public institutions of higher education that do not have their own after January 1, 1992 (§ 173.735)
- Enforce provisions of the Missouri Returning Heroes Education Act, which limits the amount of tuition public institutions can charge combat veterans (§ 173.900.4)
- Promulgate rules for the refund of all tuition and incidental fees or the awarding of a grade of "incomplete" for students called into active military service, voluntarily or involuntarily, prior to the completion of the semester (§ 41.948.5)

- Provide an annual report to the state board of education (DESE) on the performance of graduates of public high schools in the state during the student's initial year in the public colleges and universities of the state (§ 173.750.1)
- Promulgate instructions and recommendations for implementing eye safety in college and university laboratories (§ 173.009)
- Exercise oversight of Linn State Technical College (§ 178.638)
- Establish standards for the organization of community colleges (§ 178.770)
- Approve establishment of community college subdistricts and redistricting (§ 178.820)
- Supervise the two-year community colleges (§ 178.780) to include:
 - Establishing their role in the state
 - Setting up the form of surveys to be used for local jurisdictions to use in determining need and potential for a community college
 - Administering the state financial support program
 - Formulating and putting into effect uniform policies as to budgeting, record keeping, and student accounting
 - Establishing uniform minimum entrance requirements and uniform curricular offerings
 - Making a continuing study of community college education in the state
 - Being responsible for their accreditation, annually or as often as deemed advisable, and in accordance with established rules

Note: Section 173.005.7 transfers to the CBHE the duties of the State Board of Education relating to community college state aid, supervision and formation specified in Chapters 163 and 178, RSMo.

Financial Aid³

- Administer the Access Missouri Financial Assistance Program (§ 173.1103.1)
- Administer Higher Education Academic Scholarship Program (“Bright Flight”) (§ 173.250.3)
- Administer the A+ Scholarship program (Executive Order 10-16, January 29, 2010)
- Administer the Advanced Placement Incentive Grant (§ 173.1350)
- Administer the Kids’ Chance Scholarship Program for children of workers who were seriously injured or killed as result of a workmen’s compensation-related event (need based) (§ 173.256.1)
- Administer the Public Safety Officer or Employee Grant Program for certain categories of employees permanently disabled or their spouses or children or survivors in the event of the employee’s death (§ 173.260.2 & .4)
- Administer the Marguerite Ross Barnett Competitiveness Scholarship Program for part-time students who work (need based) (§ 173.262.3)
- *Administer the Missouri Teaching Fellows Program for educational loan repayments, to include maintaining a program coordinator position to identify, recruit, and select potential applicants for the program (§ 168.700)*
- *Administer the Missouri Prospective Teacher Loan Fund (§§ 168.580.4, .585 & .590)*
- Administer the Minority Teaching Scholarship Program (§ 161.415)
- Administer the Minority and Underrepresented Environmental Literacy Program (§ 173.240)
- *Administer the Missouri Educational Employees’ Memorial Scholarship Program for children of educational employees who died while employed by a MO school district (need*

³ Entries in italics historically have not had funds appropriated to them by the General Assembly and so require no ongoing activity by the department.

based; funded by voluntary donations from paychecks of employees of public school districts) (§ 173.267.4)

- *Administer the Higher Education Artistic Scholarship Program (§ 173.724.3)*
- *Administer the Higher Education Graduate Study Scholarship Program, for areas of study designated by the CBHE as it determines reflect manpower needs for the state (§ 173.727.3)*
- Administer the Advantage Missouri Trust Fund, which provides loans and a loan forgiveness program for students in approved educational programs who become employed in occupational areas of high demand in the state; responsibilities include annually designating occupational areas of high demand and the degree programs or certifications that lead to employment in those areas (§§ 173.775.2 & 173.781)
- Make provisions for institutions to award tuition and fee waiver to certain students who have been in foster care or other residential care under the department of social services (§ 173.270.1)
- May request information from public or private institutions to determine compliance with the requirement that no student receiving state need-based financial assistance receive financial assistance that exceeds the student's cost of attendance (§ 173.093)
- *Administer the Undergraduate Scholarship Program (for math and selected sciences and teacher education in math, science and foreign languages) (§ 173.198.1)*
- *Administer the Graduate Fellowship Program (for math, selected sciences and foreign languages) (§ 173.199.1)*
- Administer the Veteran's Survivor Grant (§ 173.234.1)
- Administer the Vietnam Veteran's Survivor Grant (§ 173.236.1)
- Receive annual certification from all postsecondary institutions that they have not knowingly awarded financial aid to a student who is unlawfully present in the U.S. (§ 173.1110.3)

State Guaranty Agency under the Federal Family Education Loan Program⁴

- Administer Missouri Student Loan Program (§§ 173.100 to .120 & .130 & .150 to .187; also Title IV, Part B of the Higher Education Act of 1965, as amended (20 U.S.C. §§ 1071 to 1087-2), and its implementing regulations in 34 C.F.R. §§ 433A, 485D & 682).

Responsibilities include:

- Establishing standards for determining eligible institutions, eligible lenders and eligible borrowers
 - Processing applications
 - Loan disbursement
 - Enrollment and repayment status management
 - Default awareness activities
 - Collecting on defaulted borrowers
 - School and lender training
 - Financial literacy
 - Providing information to students and families on college planning, career preparation, and paying for college
 - Administering claims
 - Provide marketing and customer assistance
 - Compliance
- Provide information on types of financial assistance available to pursue a postsecondary education (§ 167.278)

⁴ As a result of provisions in the recently enacted Healthcare and Education Affordability Reconciliation Act, no new FFELP loans will be issued after June 30, 2010. However, the Guaranty Agency's statutory and regulatory obligations will continue as to loans still outstanding and guaranteed before that date.

- Act as a lender of last resort for students or schools that cannot otherwise secure loans (§ 173.110.3)
- Enter into agreements with and receive grants from U.S. government in connection with federal programs of assistance (§173.141)

Proprietary Schools

- License and oversee all for-profit MO certificate or degree granting schools (§ 173.604.1)
- License and oversee some not-for-profit MO certificate or degree granting schools (§§ 173.604.1 & 173.616.1)
- License and oversee out-of-state higher education institutions offering instruction in MO (public out-of-state are exempt but go through program approval similar to in-state publics) (§§ 173.602 & 173.005.2(11)(b))
- License and oversee certain types of student recruitment by non-MO institutions (§ 173.602)
- Require annual recertification (§ 173.606.1)

Assignments in Statute to Serve on other State Boards

- MOHELA (both the commissioner and a CBHE member) (§ 173.360)
- Missouri Higher Education Savings Program (MOST) (§ 166.415.1)
- Missouri Workforce Investment Board (§ 620.511.3)
- Holocaust Commission (§ 161.700.3(1))
- Commission on Autism Spectrum Disorders (§ 633.200.3(6))
- Interagency Advisory Committee on Energy Cost Reduction & Savings (§ 8.843)
- Minority Environmental Literacy Advisory Committee (§ 173.240.7)
- Missouri Area Health Education Centers Council (§ 191.980)

Grants for Institutions/Faculty

- Administer the Nurse Education Incentive Program (§ 335.203)
- Administer the Improving Teacher Quality Grant Program (§§ 168.585(1), 173.050(2), Pub. Law 107-110, Title II of the Elementary and Secondary Education Act: The No Child Left Behind Act of 2001)
-