

# **Coordinating Board for Higher Education**

## **Agenda of Meeting**

**9:00 AM  
Thursday  
June 14, 2007**

**Multi-Purpose Room  
Bryan College  
Springfield**

## **Directions to Bryan College:**

### **From Jefferson City:**

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Take U.S. 54 West to Camdenton  
Turn left onto MO-5  
Merge onto I-44  
Merge onto U.S. 65 South toward Branson (Exit 82A)  
Take the U.S. 65/Chestnut Expressway exit  
Turn right onto East Chestnut Expressway  
Turn left onto National Avenue  
Turn right onto East St. Louis Street  
Turn left onto Florence Avenue

### **From Kansas City:**

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Take U.S. 71 South  
Take MO-7 South toward Clinton  
MO-7 South becomes MO-13 South  
Turn left onto I-44 Business Loop / Chestnut Expressway  
Turn right onto National Avenue  
Turn right onto East St. Louis Street  
Turn left onto Florence Avenue

### **From St. Louis:**

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Take I-44 West  
Merge onto U.S. 65 South toward Branson (Exit 82A)  
Take the U.S. 65/Chestnut Expressway exit  
Turn right onto East Chestnut Expressway  
Turn left onto National Avenue  
Turn right onto East St. Louis Street  
Turn left onto Florence Avenue

### **From Cape Girardeau:**

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Take I-55 South towards Sikeston  
Merge onto U.S. 60 West toward Poplar Bluff (Exit 66B)  
Merge onto U.S. 60 West toward Springfield  
Merge onto U.S. 65 North / Schoolcraft Freeway  
Take U.S. 65 Business exit / Chestnut Expressway  
Turn left onto Chestnut Expressway  
Turn left onto National Avenue  
Turn right onto East St. Louis Street  
Turn left onto Florence Avenue

Or use this link for a map and directions to Bryan College:

<http://www.mapquest.com/maps/map.adp?address=237+S+Florence+Avenue&city=Springfield&state=MO&zipcode=65806&country=US&cid=lfmaplink>

**COORDINATING BOARD FOR HIGHER EDUCATION**

**Kathryn F. Swan**, Chair, Cape Girardeau

**Gregory Upchurch**, Vice Chair, St. Louis

**Martha L. Boswell**, Columbia

**David Cole**, Cassville

**Lowell C. Kruse**, St. Joseph

**Jeanne Patterson**, Kansas City

**Duane Schreimann**, Jefferson City

TIME: 9:00 AM  
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PLACE: Multi-Purpose Room  
Bryan College  
Springfield

**Coordinating Board for Higher Education  
June 13 and 14, 2007  
Bryan College  
Springfield  
Schedule of Events**

**WEDNESDAY, JUNE 13**

2:00 – 5:00 PM                      CBHE Work Session  
Room 204  
Bryan College  
Springfield

**THURSDAY, JUNE 14**

9:00 AM                                Coordinating Board for Higher Education and  
Presidential Advisory Committee Meeting  
Multi-Purpose Room  
Bryan College  
Springfield

12:00 – 12:45 PM                      Lunch

1:00 PM                                Resume CBHE Meeting, if necessary

Portions of these meetings may be closed pursuant to Section 610.021 RSMo.

RSMo 610.021(1) relating to “legal actions, causes of action or litigation involving a public governmental body and any confidential or privileged communications between a public governmental body or its representatives and its attorneys.”

RSMo 610.021(3) relating to “hiring, firing, disciplining or promoting of particular employees by a public governmental body when personal information about the employee is discussed or recorded.”

Other matters that may be discussed in closed meetings, as set forth in RSMo 610.021.

Individuals needing special accommodations relating to a disability should contact Laura Vedenhaupt, at the Missouri Department of Higher Education, 3515 Amazonas Drive, Jefferson City, MO 65109 or at (573) 751-2361, at least three working days prior to the meeting.

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

**Representatives by Statute**

**Public Four-year Universities**

Dr. Henry Givens, Jr.  
President  
Harris-Stowe State University  
3026 Laclede Avenue  
St. Louis 63103

Dr. Carolyn Mahoney  
President  
Lincoln University  
820 Chestnut  
Jefferson City 65101

Dr. Julio León  
President  
Missouri Southern State University  
3950 East Newman Road  
Joplin 64801

Dr. James Scanlon  
President  
Missouri Western State University  
4525 Downs Drive  
St. Joseph 64507

Dr. Dean Hubbard  
President  
Northwest Missouri State University  
800 University Drive  
Maryville 64468

Dr. Ken Dobbins  
President  
Southeast Missouri State University  
One University Plaza  
Cape Girardeau 63701

Dr. Michael Nietzel  
President  
Missouri State University  
901 South National Avenue  
Springfield 65802

Dr. Barbara Dixon (COPHE President)  
President  
Truman State University  
100 East Normal  
Kirksville 63501

Dr. Aaron Podolefsky  
President  
University of Central Missouri  
Administration 202  
Warrensburg 64093

Dr. Gordon Lamb  
Interim President  
University of Missouri  
321 University Hall  
Columbia 65211

Dr. Brady Deaton  
Chancellor  
University of Missouri-Columbia  
105 Jesse Hall  
Columbia 65211

Dr. Guy Bailey  
Chancellor  
University of Missouri-Kansas City  
5100 Rockhill Road  
Kansas City 64110

Dr. John Carney III  
Chancellor  
University of Missouri-Rolla  
206 Parker Hall  
Rolla 65401-0249

Dr. Thomas George  
Chancellor  
University of Missouri-St. Louis  
8001 Natural Bridge Road  
St. Louis 63121

**Public Two-year Colleges**

Dr. Alan Marble  
President  
Crowder College  
601 Laclede Avenue  
Neosho 64850

Dr. Edward Jackson  
President  
East Central College  
1964 Prairie Dell Road  
Union 63084

Dr. Wayne Watts  
President  
Jefferson College  
1000 Viking Drive  
Hillsboro 63050-1000

Dr. Jackie Snyder  
Chancellor  
Metropolitan Community Colleges  
3200 Broadway  
Kansas City 64111

Dr. Don Doucette  
Vice Chancellor for Education and Technology  
Metropolitan Community College-Kansas City  
3200 Broadway  
Kansas City 64111

Dr. Steven Kurtz  
President  
Mineral Area College  
5270 Flat River Road  
Park Hills 63601

Dr. Evelyn Jorgenson  
President  
Moberly Area Community College  
101 College Avenue  
Moberly 65270

Dr. Neil Nuttall  
President  
North Central Missouri College  
1301 Main Street  
Trenton 64683

Dr. Hal Higdon  
President  
Ozarks Technical Community College  
1417 North Jefferson  
Springfield 65801

Dr. John McGuire  
President  
St. Charles Community College  
4601 Mid Rivers Mall Drive  
St. Peters 63376

Dr. Henry Shannon  
Chancellor  
St. Louis Community College  
300 South Broadway  
St. Louis 63110

Dr. Marsha Drennon (Ex Officio Member-MCCA President)  
President  
State Fair Community College  
3201 West 16<sup>th</sup> Street  
Sedalia 65301-2199

Dr. John Cooper  
President  
Three Rivers Community College  
Three Rivers Boulevard  
Poplar Bluff 63901

**Public Two-year Technical College**

Dr. Donald Claycomb  
President  
Linn State Technical College  
One Technology Drive  
Linn 65051

**Independent Four-year Colleges and Universities**

Dr. Brian Nedwek  
Acting President  
Maryville University of St. Louis  
13550 Conway Road  
St. Louis 63131

Dr. Marianne Inman  
President  
Central Methodist University  
Church Street  
Fayette 65248

Dr. William L. Fox  
President  
Culver-Stockton College  
One College Hill  
Canton 63435-9989

Dr. Mark S. Wrighton  
Chancellor  
Washington University  
One Brookings Drive  
St. Louis 63130

**Independent Two-year Colleges**

Dr. Judy Robinson Rogers  
President  
Cottey College  
1000 West Austin  
Nevada 64772-1000

## COORDINATING BOARD FOR HIGHER EDUCATION

TIME: 9:00 AM  
Thursday  
June 14, 2007

PLACE: Multi-Purpose Room  
Bryan College  
Springfield, MO

### AGENDA

	<u>Tab</u>	<u>Presentation by:</u>
<b>I. Introduction</b>		
A. Call to Order		Kathryn Swan, Chair
B. Confirm Quorum		Board Secretary
C. Welcome from Bryan College President/CEO		Brian Stewart
D. Committee Reports		
1. Audit Committee		Duane Schreimann
2. Student Loan/Financial Aid Committee		Martha Boswell
3. Strategic Planning Committee		Jeanne Patterson
<b>II. Presidential Advisory Committee</b>		
A. New Higher Education Funding Policies Update	A	Paul Wagner, Deputy Commissioner
		Donna Imhoff, Assistant Commissioner
		Brenda Albright, Consultant
B. Omnibus Bill Implementation	B	Zora AuBuchon General Counsel and Legislative Liaison
C. Final Summary of Legislation 94 <sup>th</sup> General Assembly	C	Zora AuBuchon
<b>III. Action Items</b>		
A. Minutes of the April 12, 2007 CBHE Meeting		Kathryn Swan
B. Report of the CBHE Nominating Committee and Election of Officers		Lowell Kruse
C. 2007-2008 Committee Assignments		

	<b><u>Tab</u></b>	<b><u>Presentation by:</u></b>
D. State Student Financial Aid Update	D	Leroy Wade, Assistant Commissioner
E. Community College Capital Funding Policy	E	Paul Wagner  Donna Imhoff
F. Off-Site Instructional Activity Surveys - Southeast Missouri State University and Three Rivers Community College	F	Paul Wagner
<b>IV. Consent Calendar</b>		
A. Distribution of Community College Funds	G	Donna Imhoff
B. Academic Program Actions	H	Paul Wagner
C. COTA Update	I	Paul Wagner
D. Lumina Grant Update	J	Paul Wagner
E. METS Coalition Update	K	Paul Wagner
F. Proprietary School Certification Actions and Reviews	L	Leroy Wade
<b>V. Items for Discussion, Consideration, and Possible Vote</b>		
A. Annual Report of the MDHE Proprietary School Program	M	Leroy Wade
B. Lender Inquiry Update	N	Paul Wagner
C. FY2008 Budget Update	O	Donna Imhoff
D. MDHE Marketing Plan	P	Julie Meyer, Director of Marketing and Customer Service
E. Report of the Commissioner		Robert Stein, Commissioner

**Executive Session**

RSMo 610.021(1) relating to “legal actions, causes of action or litigation involving a public governmental body and any confidential or privileged communications between a public governmental body or its representatives and its attorneys.”

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**COORDINATING BOARD FOR HIGHER EDUCATION**  
**MINUTES OF MEETING**  
**April 12, 2007**

The Coordinating Board for Higher Education met at 9:00 a.m. on Thursday, April 12, 2007 at Stephens College in Columbia.

Chair Kathryn Swan called the Coordinating Board for Higher Education meeting to order. A list of guests is included as an attachment.

The presence of a quorum was established with the following roll call vote:

	Present	Absent
Martha Boswell	X	
David Cole	X	
Lowell C. Kruse	X	
Jeanne Patterson	X	
Duane Schreimann	X	
Kathryn Swan	X	
Gregory Upchurch (by phone)	X	

Dr. Wendy Libby welcomed the CBHE, MDHE staff, and visitors to Stephens College. Dr. Libby provided a brief history of Stephens College, the College's current remodeling/renaissance, and the partnerships the College has established with other institutions and organizations.

Chair Swan thanked President Libby, her staff, and the Stephens Board of Trustees for their hospitality to the presidents and chancellors, members of the Coordinating Board, and MDHE staff.

**New Funding Formula for Higher Education**

Dr. James Scanlon introduced Mr. Paul Wagner, Deputy Commissioner, and Ms. Donna Imhoff, Assistant Commissioner, who briefed the Board on past funding models for public institutions. Ms. Imhoff explained that there has been variance in funding approaches over the last several years due to the state's financial challenges. State funding levels have adversely affected students as tuition has increased as has student debt. The Quick Facts Supplement on affordability depicts where Missouri ranks nationwide in appropriations, provides data on need-based financial aid in the state, and details the shift in institution budgets based on available state funds.

Mr. Wagner explained that the current funding distribution model was not based on a set of agreed upon data elements, was not policy-driven, and did not include performance or accountability factors. The Coordinating Board is moving forward in a strategic effort to develop a funding model framework of goals, objectives, principals, and expectations that will

more effectively use funding policies to compete for state resources. The first step in this process is the establishment of a task force.

Mr. Duane Schreimann stated that higher education must take control of developing a funding model or the legislature may develop its own. The CBHE needs to be viewed as the leader on this issue with institutions providing significant input in the process.

Ms. Mary Beth Luna advised the Board that the Governor is supportive of the CBHE taking the initiative on this issue. A successful model to be considered would be the financial aid task force, which found buy-in with policymakers and legislators by including their representatives in discussions.

Dr. Barbara Dixon stated that the Council on Public Higher Education (COPHE) had two meetings on funding and was prepared to work together to build a new funding formula based on the data already collected. Dr. Dixon recommended that the task force be comprised of presidents and MDHE staff who would use institutional researchers and budget directors as resources. The task force could potentially present its recommendations by the October 2007 CBHE meeting.

Dr. John McGuire asked if the funding formula would be strictly for COPHE institutions or if it would include two-year institutions as well. Dr. Dixon responded that only four-year institutions had been considered by COPHE due to the different missions of the sectors and the differences in community college funding.

Dr. Don Doucette reported that the Missouri Community College Association (MCCA) strongly supported a collaborative effort to develop a funding formula. A systematic approach to higher education funding would benefit students, citizens, and institutions.

Mr. Lowell Kruse stated that he agreed with the recommendation in the board item with the exception of the external consultant. When a task force is appointed, it should be the decision of the task force if an external consultant is needed. The task force should be department-directed, inclusive, and should have the authority to draw on necessary resources to complete its charge within an established timeframe.

Dr. McGuire stated that a number of elements may apply to all institutions and some may be sector-specific. It would make sense to start with a smaller group in order to develop an initial consensus on basic tenets and then expand to a larger group.

Dr. Aaron Podolefsky said that there were two aspects to be considered: what would it take to fully fund higher education in Missouri and how should funds be distributed. Dr. Claycomb added that the process would likely take a year or longer and that in order for higher education to become fully funded, there must be stakeholder credibility in the process and results. To accomplish this, there should be representation on the task force from business/industry leaders and economic development who are not closely affiliated with a particular institution or sector.

Dr. Dixon agreed, saying that higher education needed better public relations and that there should be a coordinated effort to show education as a public rather than just a private good.

Dr. Julio Leon stated that current requests for additional funding do not resonate with the legislature. There is the perception that whatever state funding higher education lost due to budget cuts had been made up in student tuition and fees.

Commissioner Robert Stein stated that the Coordinating Board should remain apprised of the task force's progress via regular communication throughout the process. Chair Swan summarized comments from the presidential Advisory Committee.

Mr. Schreimann moved to recommend **that the Coordinating Board for Higher Education direct the Commissioner of Higher Education to appoint a task force on development of a new funding formula for higher education. The task force will include representation from the Governor's Office, the Legislature, two-year and four-year sectors, and the Missouri Department of Higher Education Staff. Furthermore, updates on the progress of the task force will be included as an agenda item at future board meetings until the work of the task force has been completed. The Commissioner of Higher Education will design and issue a charge to the task force that incorporates desirable attributes, suggested components to consider, and a reasonable timeline for completion of its task.**

Ms. Jeanne Lillig-Patterson seconded the motion. After discussion, the motion passed unanimously.

## **Committee Reports**

### Audit Committee

Mr. Schreimann, chair of the Audit Committee, reported that the committee would review the recent audit on State Student Financial Assistance to see if there is a response needed. In addition, auditors from BKD are onsite to review the federal loan program, and the committee will report on both audits at the next CBHE meeting.

### Student Loan/Financial Aid Committee

Ms. Martha Boswell stated that the committee had no new business to report.

### Strategic Planning Committee

Ms. Patterson stated that, while the planning committee was still on hold, the new funding formula would be crucial to the direction of the strategic plan.

### Nominating Committee

Chair Swan advised attendees that Mr. Kruse, Ms. Boswell, and Mr. David Cole had volunteered to serve on the Nominating Committee. The committee will make its recommendations for Board officers at the June 2007 meeting in Springfield.

## **Presidential Advisory Committee**

### **FY2008 Budget Update**

Ms. Imhoff provided an update on the House recommendations for the FY2007 supplemental budget and the FY2008 budget items for higher education. HB14 is the supplemental funding recommendations for the remainder of the fiscal year. The MDHE received an estimated appropriation of \$24 million to continue operating the student loan program and \$372,000 to fully fund the Bright Flight program for 2007. Recommendations for one-time equipment needs for a joint engineering program between Missouri State University and the University of Missouri – Rolla were not in the Truly Agreed to and Finally Passed version of the supplemental funding bill. However, there is a Governor's amendment in HB19 to move forward with these funds for FY2008.

An additional supplemental bill is HB16, which includes items related to the Lewis and Clark Discovery Initiative. In HB16, there is a recommendation for \$25 million in additional funding combining both the Gallagher and Guarantee need-based programs. This bill has not yet been taken up by the Senate.

The House Budget Committee passed HB3, the appropriations bill for FY2008 and recommended increases to community colleges in order to bring those increases more in alignment with those for the four-year sector. The House decreased appropriations to Missouri State University – West plains and the University of Missouri system, but those funds may be reinstated when the bill moves to the Senate.

### **Summary of Proposed Legislation Related to Higher Education**

Ms. Zora AuBuchon, General Counsel and Legislative Liaison, provided an update on some of the pending legislation related to higher education and P-20. The higher education omnibus bill, Senate Bill 389, was voted out of committee and may be discussed on the Senate floor this week. Currently, the bill has retained its core components, but due to increasing support for this bill, some new additions may be made such as the Teach for Missouri Act (SB443).

Another bill that may become a part of SB389 is SB572, which allows the University of Missouri to close certain donor records. MDHE staff will keep the Coordinating Board and Presidents and Chancellors updated on the status of this bill as it continues through the legislative process. A matrix that assists in locating key components of SB389 will be posted on the MDHE website.

One current bill that would have implications for higher education is SB75, introduced by Senator Maida Coleman. This bill would impose a tuition cap of \$50 per credit hour for all combat veterans. Another bill being tracked is Senator Rupp's SB160, which establishes a

transfer incentive scholarship and expands the A+ program to include private vocational or technical schools. This bill has been transferred out of committee.

Ms. AuBuchon provided additional detail on two other bills: HB213 from Representative Cunningham and SB706 from Senator Mayer. HB213 would require institutions to report to the General Assembly yearly on the steps being taken to ensure intellectual diversity on campus. This is also known as the “Emily Brooker” bill, which was named after a student in the Social Work program at Missouri State University. The bill was passed in the House and will now be heard in the Senate.

SB706 is intended to bring economic relief to several counties in the bootheel area by creating a ‘vocational school district’. Senator Mayer’s bill shows an understanding of the link between higher education and economic development. However, as there are no statutes covering such school districts, this may lead to an uncoordinated development of a new kind of higher education institution. MDHE staff is working with Senator Mayer and his staff on higher education’s concerns from a system-wide perspective.

Ms. AuBuchon advised that the MDHE is also preparing fiscal notes to advocate on behalf of institutions and the department, as several proposed bills may require additional funds and FTE in order to administer the programs.

Ms. AuBuchon requested feedback from presidents, chancellors, and the Coordinating Board over the next several weeks regarding the format and content of the weekly legislative update. Commissioner Stein thanked Ms. AuBuchon for her commitment and her efforts on behalf of the department.

### Action Items

#### Approval of Minutes

Mr. Schreimann moved that **the minutes of the February 8, 2007, CBHE meeting be approved as printed**. Mr. Patterson seconded the motion, and it passed unanimously.

#### State Student Financial Aid Processing

Mr. Leroy Wade, Assistant Commissioner, updated the Coordinating Board on the progress with fast-track implementation of the Access Missouri Program contained in SB389. The MDHE has contracted with Tier Technologies to assist in the design and development of the new components necessary to process the awards. The requirements process is complete and the design, coding, and programming are on schedule for completion by mid-August 2007. This will allow the MDHE to deliver financial assistance through the new program in fall 2007. Because the bill includes an emergency clause, if it is passed and signed, it will become effective immediately with funding available on July 1, 2007.

If Senate Bill 389 does not pass, the MDHE must be prepared to deliver student financial assistance through the existing programs. In order to maintain readiness, action regarding the

Missouri College Guarantee program is necessary. In 2005, the CBHE froze the cost of attendance and maximum award amounts in order to provide aid to the maximum number of students within the parameters of available program funds. Due to the continuing ambiguity with regard to program operation and funding levels, the MDHE is recommending a conservative approach and requests approval to maintain the freeze on the maximum award amounts for the next academic year.

Mr. Schreimann moved **that the Coordinating Board direct the MDHE staff to continue to use the 2004-2005 maximum cost of attendance (\$13,935) and maximum annual award (\$6,200) for processing the Missouri College Guarantee Program awards for the 2007-2008 academic year.** Mr. Cole seconded the motion, and it passed unanimously.

#### St. Louis Community College Wildwood Campus

Ms. Hillary Fuhrman, Research Associate, and Mr. B.J. White, Program Specialist, provided the Board with information on the purpose and rationale behind the St. Louis Community College Wildwood campus project.

St. Louis Community College is establishing a fourth campus in the St. Louis area to replace the West County Education Center (WCEC). The WCEC, operated by STLCC, is at capacity and a new community college campus is needed to continue to provide affordable and accessible postsecondary education in the West County area. The Wildwood campus, which is scheduled for completion in summer 2007, will provide academic, technological, financial, and disability support services. Due to cost savings resulting from the transition from renting to purchasing a facility, reallocation of current funds, and other institutional resources, the services at the new campus will not require additional state resources.

Dr. Henry Shannon expressed his excitement about the new campus and explained that projections for the population of West County as well as enrollments in the Wildwood campus reinforce the need for a full-service community college in the area. Dr. Shannon recognized Dr. Carla Chance, Dr. John Ganio, and Dr. Pam McIntyre for their roles in moving this project forward.

Mr. Cole moved to **recommend that the Coordinating Board for Higher Education recognize and add its support for the decision of the St. Louis Community College Board of Trustees to add a fourth campus to the St. Louis Community College system.**

**Based on the state's investment in the development and delivery of community college education within the parameters of limited state resources, the CBHE further states the following expectations:**

**That the STLCC Board of Trustees will have determined that the creation of a fourth campus is the most cost-effective way to deliver high-quality programs to the West County population;**

**That the STLCC Board of Trustees and the citizens of the STLCC taxing district will have agreed to assume responsibility for any additional costs associated with creating a fourth college;**

**That the STLCC will continue to work closely with public and independent colleges and universities as well as local school districts in determining additional programmatic needs for local residents to ensure the efficient and effective use of resources;**

**That the STLCC will ensure that current and prospective students will not have federal financial aid disrupted as a result of the creation of a fourth college within the district; and**

**That the STLCC will abide by all CBHE policies and specifically all course offerings and degree programs offered on the Wildwood Campus and will follow the appropriate program approval processes.**

Ms. Boswell seconded the motion, and it passed unanimously.

Chair Swan congratulated Dr. Shannon and the representatives from St. Louis Community College on their achievement.

### **Consent Calendar**

Items on the consent calendar are recurring issues or are a routine part of the CBHE's and the MDHE's operation. Any or all items may be withdrawn from the consent calendar by any member of the board, if further discussion is necessary. Chair Swan requested that Tab G – Community College Equity and Tab H – Sunshine Law Policy be pulled from the consent calendar for presentation and discussion.

### **Community College Equity**

At the February 2007 CBHE meeting, the Coordinating Board directed the MDHE to prepare a summary of the history of the community college equity plan in order for members to determine the most appropriate way to approach legislators regarding this issue.

Ms. Imhoff explained that the formula was developed by a subcommittee of the Missouri Community College Association (MCCA) in an effort to address equity funding issues among community college districts. The equity plan was adopted by the MCCA in 2003 and presented to the CBHE in 2004. The formulas for calculating equity adjustments for community colleges are outlined in the attachment to the board item.

The governor recommendations for FY2008 seem to show that community colleges' equity adjustment was built into the increase recommended for this sector while public four-year institutions' equity adjustment was received after funding increases. This disparity encouraged the House Budget committee to increase the funding to community colleges and it appears that the Senate is inclined to follow suit.

Dr. McGuire stated that the community college equity proposal was originally presented to the CBHE in the late 1990's. The plan was incorporated in the CBHE's budget proposal to the Governor for a supplemental equity appropriation. During the budget crises and staff turnover in the early part of the decade, supplemental funding for community colleges was not included in the governor's recommendations. The initiative appears to have since been dropped or forgotten. The task force for a new higher education funding formula may address this issue in its recommendations. However, the community colleges encourage a return to supplemental appropriations in the interim.

Mr. Wagner asked if community colleges feel that breaking out funding by areas such as out-of-district and work force preparation is important or if the appropriations requests could be combined. Dr. McGuire stated that community colleges support combining the areas. Dr. Evelyn Jorgenson stated that while colleges would like to see the items combined, such a move may be viewed with suspicion. Dr. McGuire welcomed Mr. Wagner's support in working with the legislature to combine the funding areas for future budget recommendations.

### Sunshine Law Policy

Dr. Jim Matchefts stated that in light of a case decided by the Missouri Court of Appeals Western District regarding records closed pursuant to the Sunshine Law, MDHE staff reviewed the CBHE policy on open meetings and records management and verified compliance with the court's interpretation of the law. Because the policy was adopted nearly 20 years ago and there have been changes to the statute since that time, there are elements that may need to be amended. In addition, the Office of Administration in conjunction with the Governor's legal counsel is drafting a model Sunshine Law policy that the Board may wish to use as a template.

MDHE General Counsel will review OA's model policy and make recommendations to the CBHE at a future meeting regarding changes to the current policy.

### Other Consent Notes

Dr. Stein advised members that Page 6 of the attachment to Tab J – Academic Program Actions should reflect a BA in Communication Studies for the University of Missouri – Kansas City rather than a BS, Communication Studies. The institution has been notified and if approved, the correct program change will be entered on the program inventory.

Ms. Patterson moved **that items found behind Tab F, and Tabs I - L on the consent calendar be approved with the above change.** Mr. Schreimann seconded the motion and it passed unanimously.

### Items for Discussion, Consideration, and Possible Vote

#### Missouri High School Graduates Performance Report

Mr. Jeremy Kintzel reported on the 2007 Missouri High School Graduates Performance Report. Mr. Kintzel extended his appreciation to institutional research staff for their assistance in the

collection, compilation, and correction of more than 750,000 individual student records, which were used to develop this report. The complete report is available on the MDHE website at <http://www.dhe.mo.gov/hsgradreport.shtml>.

Mr. Kintzel advised that with more than ten years of data, the report provides valuable information regarding performance and completion in Missouri public postsecondary institutions by students who graduate from a Missouri public high school. The MDHE is receiving an increase in the number of calls from high school administrators and faculty for information regarding the report and recommendations on how the data could be used to improve teaching and student performance.

The data suggest issues for further investigation in the areas of encouraging participation by certain groups, revising the reporting mechanisms for demographics, and identifying best practices in retention at Missouri institutions.

Ms. Patterson asked if the data showed any correlation to the affordability data displayed in the Quick Facts on Affordability. Mr. Kintzel replied that there may be correlations to retention, persistence, and completion, but further research would be required. Ms. Patterson stated that the reports might be summarized and shared with key legislators on an annual basis. The summary could provide a snapshot of affordability versus efficiency and who we are serving and not serving.

Dr. Stephen Lehmkuhle stated that higher education needs projection data for 2010 or 2015. With a significant demographic shift being projected, higher education needs to understand today's kindergarten enrollments in order to better plan future support structures. Ms. Patterson agreed stating that such knowledge would be important for budgeting and strategic planning. Dr. Stein stated that the data are knowable through a collaborative effort between the MDHE, DESE, and institutional researchers.

Mr. Schreimann asked that this item be included on the agenda for the joint meeting with the State Board of Education.

Ms. Patterson asked that this item be updated and reported to the Coordinating Board throughout the year rather than on an annual basis. Mr. Kintzel stated that the spring 2007 enrollment data and some census data could be used to update the report for a future CBHE meeting.

Mr. Schreimann asked that board and PAC members share the report with local boards of education. Dr. Stein advised that the MDHE has been making concerted efforts over the last year to share information on the report with the State Board of Education, superintendents, principals, counselors, and K-12 faculty and will continue to provide support for stakeholders in the collection and interpretation of the data.

#### Grant Activity

Mr. Kintzel and Ms. Fuhrman provided information regarding the department's involvement in public and private grant opportunities. Mr. Kintzel stated that the MDHE continues to seek out and become involved in research initiatives to supplement state resources.

The MDHE, its Missouri partner institutions, and the University of Missouri – Columbia Department of Economics recently completed a second research project for the Lumina Foundation. Partner institutions allowed access to and analysis of unit-record financial aid data in conjunction with other data sources to identify distribution patterns and student outcomes associated with state, federal, and institutional financial aid. The final report was submitted to the Lumina Foundation on April 2, 2007, and will be presented to the CBHE at the June 2007 meeting. A proposal for a third Lumina grant is being considered based on the report findings.

The MDHE partnered with the Missouri Department of Elementary and Secondary Education (DESE) to submit a proposal for a grant from the Institute of Education Sciences (IES). This grant would support the development of integrated longitudinal student data systems at the state level. The MDHE and the University of Missouri have submitted additional proposals within the grant to work with stakeholders in addressing technological, legal, and political issues that would enable analysis of the linked data systems developed under the initial grant. The grant proposal was submitted on March 15, 2007.

Dr. Stein stated that the MDHE was seeking alliances with institutions, institutional researchers, and doctoral students with related research interests while respecting the confidentiality of the department's data sets. The data held by the MDHE may assist institutions in resolving conflicts, and research on data sets could not only advance a student's graduate program but also inform state policy decisions.

Ms. Luna commended MDHE staff for taking the initiative to apply for these grants. The Office of the Governor does not have a grant writer on staff but knows that the MDHE is always willing to try something new and to put in the extra effort.

### METS Initiative Update

Ms. Fuhrman updated the Board on the METS Alliance workgroup and the recently formed METS Coalition. The METS Alliance report, *A Call to Action*, outlined strategies and recommendations to achieve specific goals surrounding METS. The Alliance decided to transition from an ad hoc workgroup to a long-term non-profit organization known as the METS Coalition.

The METS Coalition is seeking a permanent Executive Director to help the organization establish and increase awareness of the work of the Coalition. In addition, the Coalition developed an organizational website ([www.missourimets.com](http://www.missourimets.com)), hosted by the Missouri Chamber of Commerce and Industry, as a way to provide information to multiple audiences on the progress toward attainment of METS Coalition goals.

Other tasks by Coalition partners to achieve the METS recommendations include collaborative efforts between DESE and MDHE to facilitate the revision of the K-12 GLEs and development

of a proposed Higher Education Curriculum Steering Committee that will develop entry- and exit-level competencies for beginning collegiate-level coursework. The METS Coalition is also working with Ms. Monica Beglau, Director of the enhancing Missouri's Instructional Networked Teaching Strategies (eMINTS) National Center, to request state funds that will bring 100 new eMINTS classrooms to Missouri schools.

Members of the Coordinating Board and the Presidential Advisory Committee are invited to tour an eMINTS classroom. Dr. Stein advised that eMINTS classrooms are located throughout the state, and if anyone is interested in visiting such a class, tour may be arranged through the MDHE.

#### Potential Meetings with MOHELA and the State Board of Education

Chair Swan stated that the Coordinating Board would hold a joint meeting with the State Board of Education (SBE) on September 6, 2007; the joint meeting with MOHELA will be held on December 6, 2007 in conjunction with the regular CBHE meeting. Details regarding meeting times and locations will be provided at a later date.

#### Report of the Commissioner

Dr. Stein advised that Governor Blunt requested that the Coordinating Board conduct a study with postsecondary institutions on Missouri's student loan industry. Dr. Stein has established a committee to be chaired by Paul Wagner and to include representation from the Presidential Advisory Committee, COPHE, MCCA, Linn State Technical College, and MDHE staff. The committee will put together a survey for institutions and report to the Governor. The committee may also develop a best practices document for publication.

The MDHE is committed to developing Quick Facts Supplements and one-page fact sheets for distribution to stakeholders, especially legislators, in order to inform discussion on key issues. The MDHE welcomes suggestions on issues for these fact sheets.

The MDHE is seeking to establish a unique brand; to that end, a new tagline for the department's products was developed: "Building Missouri's future...by degrees."

The Working Group on Community College Capital will hold its second meeting on May 3, 2007 and will report to the CBHE at the June 2007 meeting in Springfield.

The Governor has declared April 16 – 20, 2007 as Graduate Education Week. The MDHE has sent a request for information to institutions and will prepare a fact sheet on the data in the MDHE system and the information we are provided.

The P-20 Council will meet on April 26, 2007 in Jefferson City. The Office of the Governor will be represented and is interested in more collaboration and coordination of initiatives, especially in the area of curriculum alignment.

The Coordinating Board and MDHE intend to reinstitute the Faculty Fellows program and to request student interns for the summer and for the next year.

Dr. Stein acknowledged the MDHE staff at the meeting and advised members that Dr. Matchefts would be leaving the MDHE in May for the position of general counsel with MOHELA.

Mr. Schreimann moved to adjourn the meeting. The motion was seconded by Ms. Patterson and the motion carried unanimously.

The meeting adjourned at 12:30pm.

**Roster of Guests**  
**Coordinating Board for Higher Education**  
**April 12, 2007**

<b>Name</b>	<b>Affiliation</b>
Zora AuBuchon	Missouri Department of Higher Education
Wendy Baker	Missouri Department of Higher Education
Constance Bowman	Harris-Stowe State University
Carla Chance	St. Louis Community College
Jeanie Crain	Missouri Western State University
Hillary Fuhrman	Missouri Department of Higher Education
John Ganio	St. Louis Community College
Jennifer Glass	Missouri Department of Higher Education
Charles Gooden	Harris-Stowe State University
Chad Hampton	Missouri Department of Higher Education
Denita Hawley	ICUM
Donna Imhoff	Missouri Department of Higher Education
James Kellerman	MCCA
Paul Kincaid	Missouri State University
Jeremy Kintzel	Missouri Department of Higher Education
Nikki Krawitz	University of Missouri System
Jeff Lashley	Moberly Area Community College
Stephen Lehmkuhle	University of Missouri System
Brian Long	COPHE
Jim Matchefts	Missouri Department of Higher Education
Michelle McClure	Harris-Stowe State University
Pam McIntyre	St. Louis Community College
Michael McManis	Truman State University
Robbie Myers	Three Rivers Community College
Marty Oetting	University of Missouri System
Ann Pearce	University of Central Missouri
David Russell	University of Missouri System
Greg Sandbothe	Missouri Department of Higher Education
Vicke Schwinke	Linn State Technical College
Dwayne Smith	Harris-Stowe State University
Kelli Stiles	Armstrong Teasdale, LLP
Rochelle Tilghman	Harris-Stowe State University
Laura Vedenhaupt	Missouri Department of Higher Education
Leroy Wade	Missouri Department of Higher Education
Paul Wagner	Missouri Department of Higher Education
Beth Wheeler	Missouri Western State University
B.J. White	Missouri Department of Higher Education
Paula Wolken	Missouri Department of Higher Education

## **AGENDA ITEM SUMMARY**

### **AGENDA ITEM**

New Funding Policies for Higher Education  
Coordinating Board for Higher Education  
June 14, 2007

### **DESCRIPTION**

The Coordinating Board for Higher Education (CBHE) is committed to developing new funding policies that will be used to request appropriations for Missouri's public colleges and universities during the annual legislative budget process. This board item is an update on this initiative.

### **Recent Developments**

Following the April 2007 CBHE meeting, the Commissioner of Higher Education appointed a task force comprised of ten presidents and chancellors, five from the public four-year sector and five from the community colleges; the president of Linn State Technical College; a representative for the Governor's Office; a representative of the House of Representatives staff; the Deputy Commissioner who will serve as chair; and the Associate Commissioner for Fiscal Affairs. One seat remains reserved for a member of the Senate staff. The membership of this task force is attached.

In addition the department has hired respected higher education finance expert Brenda Albright to set a national context for the task force's work and address the Coordinating Board regarding her impression of the challenges, opportunities, and scope of the task force's undertaking. Brenda addressed the task force and participated in the discussion at its initial meeting.

There have also been two other groups constituted to work in conjunction with the Board's task force. COPHE has convened a Funding Formula Working Group for assistance and advisement in this process. The group is composed of one representative of each member institution and is chaired by Larry Gates of the University of Missouri System, with technical assistance provided by the University of Missouri staff. Part of this group's charge is to present options and recommendations to COPHE no later than October, 2007.

The Commissioner is also working with Zora AuBuchon, MDHE legislative liaison and general counsel, to establish an auxiliary group to coordinate documentation of the task force's work and assist with the public information aspect of the higher education community's effort on this issue.

### **Initial Meeting**

The Task Force met on May 31, 2007 at the MDHE offices. The task force discussed and agreed that this would be an open process where information would be freely shared with the overarching goal of developing funding policies that are designed to advance Missouri's higher

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June 14, 2007

education system as a whole. It was explained that, in terms of process, recommendations from this group would come before the Coordinating Board via the Council on Public Higher Education, the Missouri Community College Association, and the Presidential Advisory Committee.

In terms of establishing a timeline, the task force recognizes that FY 2009 will represent the second year of the three-year commitment to fund approximately 4-5% increases. As there is the potential for the political landscape to change for the FY 2010, and the need for revised and strengthened higher education funding policies regardless, there is agreement that there is a one-year window for the task force to complete its work for the preparation and submission of the Coordinating Board's FY 2010 budget request.

Once the process and timeline were discussed, there were several areas of initial agreement that emerged from the discussion.

- There was an express desire to work together in a model of consensus building as the process moves forward.
- There was agreement that there is a need to recognize that there are different audiences to be served, with one of the most important being those in the political/legislative arena.
- There was agreement on the need to focus its work on developing a simple and straightforward strategy to justify state investment in higher education, one that can express to elected officials what they're "buying" with their appropriations to public institutions.
- There was agreement that it is necessary to emphasize accountability and performance in any new funding policies.
- There was agreement that any plan for new funding that resulted in an institution losing money would not be viable.
- There was a recognition that issues exist in accounting for core or base-level funding.
- There was also a recognition that new higher education funding policies must be strategically tied to local, regional, and/or statewide economic development.

There were also several areas that received substantive discussion and will be revisited as the process continues, these include:

- Establishing a plan for identifying and involving external constituencies as the work moves forward
- Addressing the issue of current and/or historical inequities among institutions
- Incorporating the structure of new funding policies with the tuition constraint and waiver provisions of SB 389
- Defining and constructing a framework to account for institutional efficiency
- Establishing a rationale for the current state funding in addition to increased funding
- Managing the issues surrounding the implementation of performance measures in a time frame that's not ideal for the establishment of regular baseline data
- Deciding on where in the process capital needs should be incorporated, if at all

The task force also recognized the need to develop a glossary to avoid confusion and potential misunderstandings as there are not always common assumptions about the definitions of key terms and phrases.

The task force will meet again on June 13<sup>th</sup> and intends to establish a set of overarching goals to guide the policy development and ultimately serve as themes for external communication. The group also intends to analyze the collection of tasks that must be accomplished and assign those tasks to subcommittees. There will be a report from this task force meeting to the Coordinating Board at its meeting on June 14<sup>th</sup>.

### **Conclusion**

The Coordinating Board's Higher Education Task Force has held its initial meeting. This meeting was marked by productive discussion and several points of consensus. The task force will meet again on June 13<sup>th</sup> and will continue to update the Coordinating Board on its progress.

### **STATUTORY REFERENCE**

Chapter 173, RSMo, Chapter 33.210 – 33.290, Chapter 163.191, RSMo

### **RECOMMENDED ACTION**

This is an information item only.

### **ATTACHMENT**

Attachment A: Higher Education Funding Formula Task Force Members

**Higher Education Funding Formula Task Force Members**

- Paul Wagner – Chair
- Don Claycomb – Linn State
- Don Doucette – Community Colleges
- Hal Higdon – Community Colleges
- Donna Imhoff – MDHE Staff
- Evelyn Jorgenson – Community Colleges
- Stephen Lehmkuhle – Public Four-year
- Mary Beth Luna Wolf – Governor’s Office
- Carolyn Mahoney – Public Four-year
- Alan Marble – Community Colleges
- Michael Nietzel – Public Four-year
- Aaron Podolefsky – Public Four-year
- Mike Price – House Staff
- James Scanlon – Public Four-year
- Henry Shannon (Carla Chance) – Community Colleges
- Vacant – Senate Staff

## AGENDA ITEM SUMMARY

### AGENDA ITEM

Omnibus Bill Implementation  
Coordinating Board for Higher Education  
June 14, 2007

### DESCRIPTION

The hard work of promoting passage of Senate Bill 389 is complete, and it is now time for the even harder work of implementing the bill's many provisions. The bill contains several items that require action by the MDHE, and staff have already begun working to ensure that new requirements are met in a timely manner. The matrix provided as an attachment includes a detailed report on each item requiring MDHE action and progress in that area. Some of the MDHE's new responsibilities include:

- ***Missouri Teaching Fellows Program.*** This program, which will provide financial incentives to teach in unaccredited school districts, will be administered by the MDHE's financial assistance or administrative group. Although no students will receive loan repayments or stipends until 2011 at the earliest, the MDHE must begin recruiting participants in 2007. Other front-end work, including drafting agreements for participants to sign, must also be performed.
- ***Transfer and articulation.*** SB 389 requires public institutions to work with the CBHE to develop agreed-upon competencies in core areas. These competencies will promote efficient transfer between institutions. MDHE staff have drafted a proposal for forming discipline workgroups and are working to recruit volunteers and schedule initial meetings.
- ***Fines for non-compliance with CBHE rules and policies.*** MDHE legal staff will draft regulations or policies to promote a uniform approach to situations in which fines may be appropriate.
- ***Binding arbitration to resolve disputes about jurisdiction or use of state resources.*** MDHE legal staff will draft regulations or policies to promote a uniform approach to situations in which arbitration may be required.
- ***Changes in Bright Flight award amounts and eligibility.*** Information technology staff are working to ensure the FAMOUS system is updated in time to meet the January 1, 2010, implementation deadline. Public materials, such as brochures, websites, and other publications, will also be updated. MDHE legal staff may also be required to update regulations.

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- ***Tuition stabilization.*** MDHE staff have discussed the need for a written policy that will guide decisions about when waivers may be appropriate. The drafting of this policy will take place within the context of the new funding formula.
- ***Development of performance measures.*** The process of developing these measures will, at least in part, take place within the context of discussions about the new funding formula.
- ***Access Missouri Financial Assistance Program.*** Leroy Wade and his staff are preparing to “go live” with this program for the fall 2007 semester. Funds will be distributed beginning September 6, 2007. Department informational materials about student financial assistance are currently being revised to include information about Access Missouri and to omit all references to the Gallagher and Guarantee programs. MDHE information technology staff are also making preparations for the new program.

## **STATUTORY REFERENCE**

Chapter 173, RSMo, Department of Higher Education

## **RECOMMENDED ACTION**

This is an information item only.

## **ATTACHMENT**

Senate Bill 389 Implementation Matrix

**SENATE BILL 389  
IMPLEMENTATION MATRIX**

Program	Description	Implementation Timeline		MDHE Unit(s) Assigned	Current Status
Joint Committee on Education ("JCE")	The JCE's scope is expanded to include several components associated with higher education.	Immediate	MDHE will begin reporting to JCE on higher education issues	Commissioner	There are no current requests for information from the JCE
		August 28, 2010	MDHE report on the impact of tuition stabilization to the JCE		
Missouri Teaching Fellows Program	Creates the Missouri Teaching Fellows Program, which will offer loan forgiveness and stipends to individuals who teach in unaccredited school districts. The program will be administered by the MDHE with appropriations not to exceed \$1 million a year (CPI adjusted). The MDHE is responsible for recruitment of high school seniors to participate in the program, development of an agreement for participants to sign upon entry into the program, and development of regulations and contracts. The law requires the MDHE to maintain a Missouri Teaching Fellows Program coordinator position.	2007-08	First participants must be recruited	Financial Assistance, Outreach, & Proprietary Certification and Fiscal Affairs	Senior staff is reviewing how to fulfill this obligation to publicize and recruit students into the program for fiscal year 2008 without the assignment of additional FTE or funding sources. The FY 2009 budget request will include funds to address this new position and additional outreach activities.
		2013-2014	First loan forgiveness payments/stipends must be paid		
MU Curators can close records	The MU Curators can close certain records relating to donors' financial information.	August 28, 2007	Statute becomes effective	MDHE is not responsible for implementation	No need for MDHE action.
Transfer and articulation	Public institutions must work with the MDHE to establish agreed-upon competencies for all entry-level collegiate courses in key disciplines. The CBHE must establish policies to ensure transferability of core course credits.	2008-09 academic year	Competencies and guidelines must be implemented	Academic Affairs	Proposal for forming discipline workgroups and a steering committee is complete; volunteers are currently being recruited to participate; first round of disciplinary workgroup meetings anticipated to occur mid-summer.
Fines for non-compliance with CBHE rules and policies	Public institutions that willfully disregard CBHE policy can be fined up to 1% of their state appropriation. Rules, regulations and waiver procedures must be developed.	August 28, 2007	Statute becomes effective	General Counsel and Fiscal Affairs	Work on regulations and waiver procedures has not yet begun.

Out-of-state public institution standards	Out-of-state public institutions must be held to the same standards as Missouri institutions for program approval, data collection, cooperation, and resolution of disputes. The CBHE must promulgate rules.	July 1, 2008	Rules must be promulgated	Financial Assistance, Outreach, & Proprietary Certification and Academic Affairs	Out-of-state public institutions will be exempt from proprietary school certification effective on July 1, 2008. Out-of-state publics will not be required to seek recertification for the 2008-09 certification year and their certificates of approval will be allowed to lapse on June 30, 2008. Work on rules for out-of-state publics has not yet begun.
“No better than free”	No student shall receive need-based assistance that exceeds the student’s cost of attendance. This does not include loans or merit-based aid.	August 28, 2007	Statute becomes effective	Financial Assistance, Outreach, and Proprietary Certification	Work on guidance and related definitions to assist institutions with compliance has not yet begun.
Binding dispute resolution	In order to receive state funds, public institutions must agree to submit to binding dispute resolution to address grievances about jurisdictional boundaries or the use or expenditure of state resources. The Commissioner of Higher Education will be the arbitrator. The CBHE and MDHE must develop rules and waiver procedures.	August 28, 2007	Statute becomes effective	General Counsel	Work on rules and waiver procedures has not yet begun.
Higher Education Academic Scholarship Program (“Bright Flight”)	The existing Bright Flight scholarship is revised to include students whose ACT/SAT scores are in the top 3% to 5% of all Missouri test-takers. Scholarships awards are increased to \$3,000 for those in the top 3 % and established at \$1,000 for the 3% to 5% range. The MDHE’s FAMOUS system must be reprogrammed and rules must be revised.	January 1, 2010	FAMOUS system changes must be completed	Financial Assistance, Outreach, & Proprietary Certification and Fiscal Affairs	Public materials (website and publications, etc.) are being revised to notify students that this change is coming. Materials will be in place beginning July 2007 and will continue indefinitely. Additional data queries are being developed to begin the process of estimating the number of students impacted and the potential cost. Analysis of whether an appropriation request will be needed to make the necessary changes to the FAMOUS system is under review. Work on rule changes and additional appropriation for program distribution has not yet begun.
		June/July 2009	Appropriation request for FY 2011 must be developed to include updated scholarship amounts		
		July 2010	Rule changes must be complete		
		August 2010	New scholarship award amounts become effective		

MOHELA powers	Expands MOHELA’s powers to include supporting capital projects (through the Lewis & Clark Discovery Fund), issuing bonds, participating in student grants and scholarships, and supporting the formation of the Missouri Technology Corporation. MOHELA will distribute a total of \$350 million over the next six years and a portion of the state ceiling will be allocated to MOHELA. In addition, MOHELA board members will not be personally liable for lawful votes or actions.	August 28, 2007	Statute becomes effective	MOHELA Board, which includes the Commissioner and one CBHE member	MDHE staff has indicated to the Office of Administration and Department of Economic Development its commitment to collaborate with each agency as the Lewis & Clark Discovery Initiative projects move forward.
Lewis & Clark Discovery Fund (“L&CDF”)	Creates a fund into which MOHELA distributions will be deposited. L&CDF may only be used for capital projects at public institutions or to support the Missouri Technology Corporation. Institutions that knowingly employ professors or instructors found guilty of certain crimes are ineligible to receive money through the L&CDF.	August 28, 2007	Statute becomes effective	MDHE will assist the Office of Administration in managing disbursements from the L&CDF	MDHE staff has collected and summarized data about the status of each institution’s capital project(s) for the Office of Administration. Once funds are available in the L&CDF, MDHE will receive and approve reimbursement requests from institutions and provide relevant amounts to the Office of Administration.
General assembly faculty provision	If an individual who has served for at least 8 years in the General Assembly applies for a teaching job at a public institution and has earned an undergraduate baccalaureate degree, the institution cannot reject the applicant solely because he or she does not have a graduate degree.	August 28, 2007	Statute becomes effective	MDHE is not responsible for implementation	No need for MDHE action.
Higher Education Student Funding Act (also known as tuition stabilization)	Establishes limits on tuition increases based on each public institution’s tuition in relation to the statewide average and CPI. Institutions exceeding the limits can be fined up to 5% of their state appropriation unless a waiver is sought and approved by the Commissioner of Higher Education. Community colleges are not subject to these limits unless their average tuition for out-of-district students exceeds the state average. The MDHE must develop rules and waiver procedures.	2008-09 academic year and each academic year in the future	CBHE must review data submitted by institutions about tuition changes and make determinations about any waivers sought	Deputy Commissioner, Academic Affairs, and Fiscal Affairs	The Higher Education Funding Formula (HEFF) Task Force’s initial discussions have included the identification of goals for the amount of resources needed to deliver high quality education to students. This segment of a new funding policy will have direct implications for granting waivers to tuition limitations.

Consumer information	The CBHE must promulgate rules and regulations to ensure that public institutions post on their websites academic credentials of all faculty (adjunct, part-time, and full-time); course schedules; faculty assignments; and, where feasible, instructor ratings by students; as well as which instructors are teaching assistants.	August 28, 2007	Statute becomes effective	General Counsel	Work on rules and regulations has not yet begun.
Performance measures	Institutions and the MDHE must develop institutional and statewide performance measures. The MDHE must report on progress developing statewide measures to the Joint Committee on Education at least twice a year. The MDHE must develop a procedure for reporting the effects of performance measures to the Joint Committee on Education in an appropriate timeframe for consideration in the appropriation process.	July 1, 2008	Performance measures must be established	Deputy Commissioner, Academic Affairs, and Fiscal Affairs	The HEFF Task Force will make recommendations on performance funding, which will have direct implications for performance measures. All sectors (Linn State, public two-year, and public four-year) have submitted initial draft recommendations of the types of elements to be included as performance measures. Work on procedures for reporting the effects of performance has not yet begun.
Access Missouri Financial Assistance Program	Establishes Access Missouri as the state's single need-based financial assistance program, to be administered by CBHE. Award ranges vary by institutional sector and expected family contribution ("EFC"). No student who is found or pleads guilty to certain criminal offenses while receiving financial aid is eligible for renewed assistance. In the event of budget shortfalls, the maximum award will be reduced across sectors; for surplus, the maximum EFC allowed will be raised. The CBHE must promulgate regulations for administering the Access Missouri program. Assistance provided to all applicants from any other student aid program, public or private, must be reported to the CBHE by the institution and the recipient.	September 2007  August 2009 and every 3 years thereafter. Program will sunset at the end of FY 2013, unless reauthorized.	Program must be administered and students will receive Access Missouri financial assistance  Award amounts may be adjusted to reflect inflation indicated by the CPI	Financial Assistance, Outreach, & Proprietary Certification	MDHE information materials about student financial assistance are being revised to transition from Gallagher/Guarantee. Fast-track implementation is on schedule for mid-August. Distribution of funds under the new program will begin on September 6, 2007. An emergency administrative rule is being drafted for presentation to the CBHE at its June 2007 meeting. If approved, it will be filed with the Secretary of State immediately following the effective date of the new statute (August 28, 2007). The emergency rule would become effective 10 days after it is filed. As soon as possible afterward, the same rule will be filed using the standard promulgation process.

Gaming funds	Transfers College Guarantee's portion of boarding fee to Access Missouri.	August 28, 2007	Statute becomes effective	MDHE is not responsible for implementation	No need for MDHE action.
NMSU conveyance	Permits Northwest Missouri State University to sell a piece of land.	August 28, 2007	Statute becomes effective	MDHE is not responsible for implementation	No need for MDHE action.

## AGENDA ITEM SUMMARY

### AGENDA ITEM

Final Summary of Legislation – 94<sup>th</sup> General Assembly  
Coordinating Board for Higher Education  
June 14, 2007

### DESCRIPTION

The intent of this board item is to provide information about higher education-related bills proposed during the recently adjourned legislative session. Although only two bills directly related to higher education were passed, the impact on the CBHE, the MDHE, students, and institutions will be significant. The following bills passed:

- The Omnibus Higher Education Bill, also known as SB 389 or “MOHELA,” was passed by both houses and has been signed by the Governor. Although numerous versions of the bill were proposed as it made its way through the legislative process, it retained its core components: capital funding, the development of performance measures, a strengthened CBHE, the Access Missouri program, tuition stabilization, binding dispute resolution, the requirement that the Joint Committee on Education consider higher education issues, and student consumer information on websites. Some additions to the bill are addressed below.
- The Curators of the University of Missouri may now close certain records relating to donor financial information. Senator Carl Vogel and Representative Gayle Kingery both proposed bills that would have permitted this change, and the language was added to SB 389 during Senate floor debate.
- SB 389 also includes what was originally called the Teach for Missouri Program, which was proposed by Senator Jeff Smith. Although the name of the program will now be the Missouri Teaching Fellows Program, its provisions are nearly identical to those proposed by Senator Smith.
- Senator Rob Mayer’s SB 706 provided for the creation of one or more vocational school districts in Butler, Stoddard, Wayne, Ripley, New Madrid, Pemiscot, Dunklin, Mississippi, and Scott Counties. Later Cape Girardeau and Bollinger Counties were added to this list. This language was included in HB 327, the Economic Development Omnibus Bill, which was passed by both houses but has not been signed by the Governor as of May 29, 2007.
- All new electronic video instructional materials will now have to include closed or open captioning. The bill containing this requirement, HB 181, was proposed by Representative Therese Sander and is intended to make it easier for hearing-impaired students in all educational settings -- including colleges and universities as well as

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elementary and secondary schools -- to understand instructional videos. Video manufacturers are responsible for ensuring that the material includes captions, and schools, DESE, and the MDHE may sue to enforce the law. The bill has been delivered to the Governor but has not been signed as of May 29, 2007.

- A law allowing the University of Missouri's engineering programs to receive grants to purchase equipment was set to expire on June 30, 2007. Representative Jim Guest's HB 134 extends the expiration date to 2017. The bill has been delivered to the Governor but has not been signed as of May 29, 2007.
- Nurses working in public or nonprofit institutions in areas of need currently qualify for the nursing student loan program. SB 513, proposed by Senator Dan Clemens, allows nurses who work for any institution in an area of need to qualify for the program. The bill has not been delivered to the Governor as of May 29, 2007.
- Senator Clemens' SB 320 establishes the Large Animal Veterinary Student Loan Program and changes the laws regarding the Large Animal Veterinary Medicine Loan Repayment Program. The bill has not been delivered to the Governor as of May 29, 2007.
- HBs 497 and 780 change certain provisions relating to professional licensure. HB 497, which addresses physicians' assistants, has been delivered to the Governor but not signed as of May 29, 2007. HB 780, which alters licensure guidelines for members of the military, has not been delivered to the Governor or signed as of May 29, 2007.

The table provided in the attachment includes an update on all legislation tracked by the MDHE during the most recent legislative session. The items that were passed by both houses are marked with a flag.

## **STATUTORY REFERENCE**

Chapter 173, RSMo, Department of Higher Education

## **RECOMMENDED ACTION**

This is a discussion item only.

## **ATTACHMENT**

Legislative Update



**Legislative Update**  
May 29, 2007

Zora AuBuchon

### INSTITUTIONAL FUNDING

**HB 179**

Day (R)

*Changes the distribution of money in the Gaming Commission Fund*  
Referred to House Special Committee on Veterans 1/24/07.

**SB 296**

Loudon (R)

*Authorizes the Joint Committee on Wagering and Gaming to solicit bids for university study of pathological gambling in Missouri*  
Referred to Senate Ways and Means Committee 1/22/07.

**SB 478**

Gross (R)

*Limits amount of expenditures of revenue from gaming boat admission fees*  
Passed by Senate 3/26/07. Referred to House Special Committee on General Laws 4/12/07.

### INSTITUTIONAL GOVERNANCE, PROGRAMS, AND ACADEMICS

#### Athletics

**HB 536**

Walsh (D)

*Prohibits any entity from preventing a student athlete from competing in or training for any Olympic event*  
House second read 1/24/07.

**HB 1197**

St. Onge (R)

*Prohibits any entity from preventing a student athlete from competing in or training for any Olympic event*  
House second read 3/27/07.

#### Campus Safety

**HB 687**

Thomson (R)

*Authorizes college and university police officers to enforce traffic regulations on college or university property*  
Heard by House Crime Prevention and Public Safety Committee 3/13/07.

**HB 1193**

Page (D)

*Requires public institutions of higher ed to check the sex offender registry before making student housing assignment, and prohibits such assignments from being made if the student is a sex offender*  
House Crime Prevention and Public Safety Committee voted do pass 4/4/07.

#### Curriculum

**HB 532**

Cooper (R)

*Requires students at public institutions of higher education take certain American history and American literature courses*  
House Higher Education Committee voted do pass 3/27/07.

#### Donor Records

➤ **SB 572**

Vogel (R)

*Allows the curators of the University of Missouri to close certain financial records relating to donor or potential donors*  
Senate Education Committee voted do pass 3/14/07. Put on Senate informal perfection

calendar but no action taken. The language of this bill was incorporated into SB 389, which has passed and been signed by the Governor.

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**HB 941**  
Kingery (R) *Allows the curators of the University of Missouri to close certain financial records as they relate to donors or potential donors*  
Passed by House 4/4/07. Referred to Senate Education Committee 4/4/07. The language of this bill was incorporated into SB 389, which has passed and been signed by the Governor.

**Exchange Programs**

**HB 146**  
Salva (D) *Prohibits public and private higher education institutions from using state funds on exchange programs for students from terrorist states as designated by the United States Department of State*  
House Second Read 1/4/07.

**Extension**

**SB 417**  
Goodman (R) *Creates the "Farm Mentoring and Education Fund"*  
Passed by Senate 3/29/07. Put on House calendar of Senate bills for third read but no further action taken.

**Faculty**

**HB 813**  
Baker, Brian (R) *Provides that any faculty member at a higher education institution in this state who receives two negative peer reviews may be subject to tenure revocation and discharge from employment*  
House Second Read 2/12/07.

**Fiber Optic Networks**

**SB 121**  
Nodler (R) *Requires the utilization of fiber optic networks by certain public governmental bodies*  
Referred to Senate Financial & Governmental Organizations and Elections Committee 1/17/07.

**Funding**

**HJR 37**  
Baker, Judy (D) *Proposes a constitutional amendment authorizing the sale of bonds to plan, design, construct, renovate, and maintain state college and university buildings*  
House second read 4/2/07.

**SB 708**  
Shoemyer (D) *Authorizes issuance of revenue bonds in order to finance certain educational and research facility projects*  
Referred to Senate Education Committee 3/8/07.

**Governing Boards**

**SB 106**  
Graham (D) *Adds voting student members to the governing boards of certain state higher education institutions*  
Senate Education Committee voted do pass on a committee substitute bill 3/7/07.

**HB 33**  
Cunningham, Jane (R) *Requires governing boards at public colleges and universities, community college districts, and school districts to take roll-call votes on school policy matters*  
House Elementary and Secondary Education Committee voted do pass 2/14/07.

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**HB 613**

Pratt (R)

*Requires that one voting member of the governing boards of certain state institutions of higher education be a student*

Heard by House Higher Education Committee 2/13/07. Committee exec'ed on this bill but took no action 3/27/07.

**Illegal Immigration**

**SBs 348 and 626, HB 461**

Koster, Ridgeway, Nolte (R) *Prohibits the admission of unlawfully present aliens to public institutions of higher education*

Senate Pensions, Veterans' Affairs and General Laws Committee voted do pass on a committee substitute 4/11/07. Put on Senate formal perfection calendar but no action taken.

**Instructional Equipment**

**HB 181**

Sander (R)

*Requires captioning of electronic video instructional material*

Truly agreed and finally passed 5/8/07. Delivered to the Governor 5/25/07 but not signed as of 5/29/07.

**Intellectual Diversity**

**HB 213**

Cunningham, Jane (R)

*Requires institutions of higher education to report to the General Assembly about the steps the institution is taking to ensure intellectual diversity and the free exchange of ideas*

Passed by House 4/12/07. Senate Education Committee voted do pass on a committee substitute 5/10/07.

**Programs**

**HB 134**

Guest (R)

*Extends the sunset provision for equipment grants for engineering programs at the University of Missouri to June 30, 2017*

Truly agreed and finally passed 5/8/07. Delivered to the Governor 5/25/07 but not signed as of 5/29/07.

**HB 890**

Kratky (D)

*Changes the laws regarding the issuance of bonds by community colleges for job training programs and the expiration date of the Missouri Community College New Jobs Training Program*

House second read 2/19/07.

**Uniform Anatomical Gift Act**

**SB 496**

Koster (R)

*Revises the Uniform Anatomical Gift Act*

Passed by Senate 4/19/07. Referred to House Health Care Policy Committee 4/26/07.

**SCHOLARSHIPS**

**Bright Flight**

**HB 250**

Robb (R)

*Increases the amount of the Bright Flight scholarship from \$2000 per year to \$4000 per year*  
House Higher Education Committee voted do pass 2/13/07. Although this bill did not pass, a provision increasing Bright Flight was included in SB 389, which has passed and been signed by the Governor.

### Missouri Legacy Fund

**SB 254**  
Nodler (R) *Creates within the state treasury the "Missouri Legacy Fund" to be used to provide college financial assistance to participants in Missouri's qualified state tuition program*  
Senate Education Committee voted do pass on a committee substitute bill. Put on Senate informal perfection calendar but no action taken.

**HB 442**  
Kingery (R) *Creates the Missouri Legacy Fund*  
House Higher Education voted do pass on a committee substitute bill 3/6/07. House Rules Committee voted do pass 4/17/07.

### Missouri Higher Education Savings Program

**SB 224**  
Rupp (R) *Allows married taxpayers filing joint returns to deduct a portion of contributions to the Missouri Higher Education Savings Program from income*  
Senate Ways and Means Committee voted do pass 3/14/07.

**SB 667**  
Scott (R) *Modifies the Missouri Higher Education Savings Program*  
Referred to Senate Financial & Governmental Organizations and Elections Committee 3/5/07.

### Community College Associate Degree Transfer Incentive Program

**SB 149**  
Nodler (R) *Establishes the Community College Associate Degree Transfer Incentive Scholarship Program; expands the A+ Schools Program to certain private vocational or technical schools*  
Referred to Senate Education Committee 1/17/07.

**SB 160**  
Rupp (R) *Establishes the Community College Associate Degree Transfer Incentive Scholarship Program; expands the A+ Schools Program to certain private vocational or technical schools*  
Senate Education Committee voted do pass on a committee substitute bill. Put on Senate informal perfection calendar but no action taken.

**HB 91**  
Schneider (R) *Expands the A+ Schools Program to certain private vocational or technical schools*  
Withdrawn 1/4/07.

**HB 313**  
Schneider (R) *Expands the A+ Schools Program to certain private vocational or technical schools and establishes the Associate Degree Transfer Incentive Scholarship Program*  
Heard by House Higher Education Committee 2/6/07.

### Employer-Provided

**SB 318**  
Clemens (R) *Modifies the income tax credit for employer provided tuition reimbursement programs*  
Heard by Senate Ways and Means Committee 3/12/07.

### Foster Children

**HB 106**  
Meiners (D) *Establishes a tuition and fee waiver program for incoming Missouri resident college freshmen who have been in foster or residential care*  
Referred to House Higher Education Committee 2/1/07.

**HB 667**  
Bringer (D) *Allows eligible foster children to receive a waiver of tuition and fees at state-funded colleges or universities*

House second read 1/31/07.

**General Tuition**

**HB 717**

Day (R)

*Changes distribution of Gaming Commission funds*

House Special Committee on Veterans voted do pass on a committee substitute 3/13/07. Referred to Rules 3/14/07 but not taken up by that committee.

**SB 187**

Green (D)

*Creates an income tax deduction for higher education expenses*

Referred to Senate Ways and Means Committee 1/17/07.

**HB 48**

Harris, Jeff (D)

*Authorizes an income tax deduction for tuition paid to a Missouri public institution of higher education*

Heard by House Ways and Means Committee 3/29/07.

**SB 430**

Shields (R)

*Creates the Smart Start Scholarship Program*

Senate Ways and Means voted do pass on a committee substitute bill 2/19/07. Put on Senate informal perfection calendar but no action taken.

**Nurses**

**SB 513**

Clemens (R)

*Allows nurses working in any area of need to qualify for the Professional and Practical Nursing Student Loan Program*

Truly agreed and finally passed 5/11/07. As of 5/29/07, this bill has not been delivered to the Governor.

**HB 749**

Loehner (R)

*Modifies the definition of "qualified employment" in relation to the professional and practical nursing student loan program*

House second read 2/7/07.

**Remedial Class Reimbursement**

**HB 861**

Robb (R)

*Allows students at two-year or four-year colleges or universities to seek tuition reimbursement for remedial courses under certain circumstances*

House Second read 2/15/07.

**Twenty-First Century Scholars**

**HB 438**

Storch (D)

*Establishes the Twenty-First Century Scholars Program*

Heard by House Higher Education Committee 4/3/07.

**HB 1172**

Harris, Jeff (D)

*Establishes the Twenty-First Century Missouri Scholars Program*

House second read 3/28/07.

**Veterans**

**SB 75**

Coleman (D)

*Provides for a tuition limitation of \$50 per credit hour for certain combat veterans*

Passed by Senate 4/19/07. House Special Committee on Veterans Affairs voted do pass on a committee substitute 5/8/07. Rules Committee voted do pass 5/11/07. Put on Senate calendar for third read but no further action taken.

**HB 871**

Cunningham, Mike (R)

*Makes any member of the United States armed forces or their reserves eligible for a National Guard educational assistance grant*

Referred to House Special Committee on Veterans 3/1/07.

**Veterans' Survivors**

**SB 12**

Coleman (D) *Creates an educational grant for children and spouses of veterans who are killed in combat*  
Senate Pensions, Veterans' Affairs and General Laws Committee voted do pass 1/31/07.

**HB 111**

Cunningham, Mike (R) *Establishes a scholarship program for the survivors of veterans killed or injured in action after September 11, 2001*  
House Special Committee on Veterans and Rules Committee voted do pass. Taken up for perfection and laid over 3/27/07.

**HB 612**

Komo (D) *Expands the Vietnam Veteran's Survivor Grant Program to include Vietnam veterans who are 100 percent disabled*  
Referred to House Special Committee on Veterans hearing scheduled 4/5/07. A hearing was tentatively scheduled for 4/17/07, but the hearing did not occur.

**Veterinarians**

**SB 320**

Clemens (R) *Establishes the Large Animal Veterinary Student Loan Program and changes the laws regarding the Large Animal Veterinary Medicine Loan Repayment Program*  
Truly agreed and finally passed 5/17/07. As of 5/29/07, this bill has not been sent to the Governor.

**HB 693**

Quinn, John (R) *Establishes the Large Animal Veterinary Student Loan Program and changes the laws regarding the Large Animal Veterinary Medicine Loan Repayment Program*  
Passed by House 3/15/07. Senate Agriculture, Conservation, Parks and Tourism Committee voted do pass 4/17/07.

**Volunteer Rewards**

**SB 443**

Smith, Jeff (D) *Creates the "Teach for Missouri Act"*  
Heard by Senate Education Committee 3/7/07. With some revisions, the language of this bill was incorporated into SB 389, which has passed and been signed by the Governor.

**HB 940**

Robb (R) *Establishes the "Teach for Missouri Act" which allows for certain teachers who teach in provisionally or unaccredited school districts to receive a stipend to be applied to their student loans*  
House second read 2/22/07. Similar language was incorporated into SB 389, which has passed and been signed by the Governor.

**Vocational School Districts**

**HB 327**

Richard (R) *Permits residents of the Bootheel to start a technical college*  
Truly agreed and finally passed with no emergency clause 5/10/07. Delivered to the Governor 5/25/07 but not signed as of 5/29/07.

**SB 706**

Mayer (R) *Permits residents of the Bootheel to start a technical college*  
Heard by Senate Economic Development, Tourism & Local Government Committee 3/28/07. No vote taken. This bill was part of HB 327, which passed and has been delivered to the Governor.

**CBHE**

☞ **SB 29**  
 Nodler (R) *Grants additional authority to the CBHE including binding arbitration and the ability to levy fines; requires the CBHE to hold out-of-state public higher education institutions to criteria similar to public in-state higher education institutions*  
 Referred to Senate Education Committee 1/16/07. The language of this bill is similar to some provisions of SB 389, which passed and has been signed by the Governor.

**DEPARTMENT OF HIGHER EDUCATION**

☞ **HB 16**  
 Icet (R) *To appropriate money for supplemental purposes for the several departments and offices of state government, and to transfer money among certain funds, from funds designated for period ending 6-30-07*  
 Truly agreed and finally passed 5/8/07. Signed by the Governor 5/22/07.

**COMMUNITY COLLEGE DISTRICTS**

**SB 99**  
 Mayer (R) *Increases by \$250 million the assessed value thresholds for tax rates that may be imposed without voter approval by junior college districts*  
 Heard by Senate Education Committee 2/14/07.

**HB 502**  
 Deeken (R) *Transfers the responsibilities for certifying junior college district formation election results to the Secretary of State*  
 House Elections Committee voted do pass 3/13/07.

**MOHELA**

**SB 135**  
 Nodler (R) *Allows the Missouri Higher Education Loan Authority to provide primary school loans*  
 Passed by Senate 3/7/07. Rules voted do pass 4/17/07. Put on House calendar of Senate bills for third read but no further action taken.

**SB 227**  
 Graham (D) *Allows MOHELA to sell or liquidate any asset of the authority*  
 Referred to Senate Education Committee 1/18/07.

**SB 228**  
 Graham (D) *Allows MOHELA to sell or liquidate any asset of the authority*  
 Referred to Senate Education Committee 1/18/07.

**SB 362**  
 Shoemyer (D) *Makes access to low cost student loans, grants, scholarships, and loan forgiveness programs a priority of MOHELA, creates the Gallagher Teach and Heal Grant Program, and repeals the current Gallagher Grant Program and the College Guarantee Program*  
 Referred to Senate Education Committee 1/25/07.

**HB 387**  
 Zweifel (D) *All proceeds, fees, and revenues of the Higher Education Loan Authority shall be used for administering, lowering loan rates, and forgiving student loans, and proper administration of the authority*  
 Referred to House Higher Education Committee 2/5/07.

☞ **SB 389**  
 Nodler (R) *Modifies several provisions regarding the state's higher education system*  
 Truly agreed and finally passed 5/7/07. Signed by Governor 5/23/07.

**HB 1261**

Zweifel (D) *Relating to the administration of loans by MOHELA*  
House second read 3/30/07.

**P-16 PROGRAMS**

**Accreditation**

**HB 1219**  
Schad (R) *Requires an "Education Renewal Commission" to be appointed when a school district with less than 10,000 students becomes unaccredited*  
Heard by House Elementary and Secondary Education Committee 4/24/07.

**HB 1224**  
Cunningham, Jane (R) *Modifies the law relating to transitional school districts*  
House second read 3/30/07.

**Attendance Age**

**HB 1186**  
Dixon (R) *Increases the compulsory attendance age for all children in Missouri to 17 and establishes a task force to help school districts transition to the new requirement*  
House second read 3/28/07.

**Charter Schools**

**SB 564**  
Smith, Jeff (D) *Modifies which entities may sponsor a charter school*  
Heard by Senate Education Committee 3/14/07.

**HB 1057**  
Robb (R) *Allows St. Louis County charter schools to have as a sponsor charter schools and private colleges in Kansas City and any state college with a teacher program*  
House second read 3/7/07.

**HB 1231**  
Cunningham, Jane (R) *Modifies laws relating to charter schools*  
House second read 3/30/07.

**Curriculum**

**HB 1214**  
Baker, Judy (D) *Establishes curriculum requirements for physical education classes for students in grades 6 through 12*  
House second read 3/30/07.

**HB 1215**  
Baker, Judy (D) *Establishes curriculum requirements for physical education classes*  
House second read 3/30/07.

**HB 1226**  
Cunningham, Jane (R) *Requires the completion of an on-line learning experience in order to graduate from high school*  
House second read 3/30/07.

**Department of Elementary and Secondary Education**

**SJR 12**  
Crowell (R) *Alters the composition of the state Board of Education*  
Referred to Senate Education Committee 1/22/07.

**Early Childhood Education**

**HB 965**  
Donnelly (D) *Establishes the Preschool Plus Grant Program as a pilot program to serve up to 5,000*

*students in early childhood education*

Referred to House Special Committee on Urban Education Reform 3/8/07.

### Employment Training

#### HCR 29

Baker, Judy (D) *Establishes the Joint Committee on Access to Nontraditional Career and Technical Education*  
Offered 2/14/07.

### Funding

#### SB 698

Ridgeway (R) *Establishes the Betty L. Thompson Scholarship Program*  
Senate Pensions, Veterans' Affairs and General Laws Committee voted do pass on committee substitute bill 3/14/07. Put on Senate informal perfection calendar but no action taken.

#### HB 808

Bearden (R) *Establishes the Betty L. Thompson Scholarship Program*  
House Special Committee on Student Achievement voted do pass 2/14/07. House Rules Committee voted do pass 2/20/07. Perfection defeated on House floor 3/7/07.

#### HB 1015

Aull (D) *Changes the probation factor for calculating the portion of state school aid*  
House second read 3/1/07.

#### HB 1206

Aull (D) *Creates an alternative way of calculating the state adequacy target for school funding*  
House second read 3/30/07.

### Gifted Education

#### HB 969

Lampe (D) *Requires school districts to establish special programs or services for students who are identified as academically gifted*  
House second read 2/27/07.

### Governance

#### HB 594

Wildberger (D) *Requires the Governor to take over school districts that are classified as unaccredited by the State Board of Education*  
House second read 1/29/07.

### Teacher Quality

#### HCR 41

Baker, Judy (D) *Recommends that elementary, secondary, and postsecondary instructor training and development programs contain instruction on mental health and social and emotional learning competencies*  
Offered 3/13/07.

#### SB 111

Rupp (R) *Eliminates the Missouri Advisory Council of Certification for Educators and replaces it with a Commissioner's Advisory Council on Teacher Quality*  
Heard by Senate Education Committee 3/7/07.

#### SB 136

Nodler (R) *Eliminates the Missouri Advisory Council of Certification for Educators and replaces it with a Commissioner's Advisory Council on Teacher Quality*  
Referred to Senate Education Committee 1/17/07.

#### SB 236

Shields (R) *Requires DESE to develop standards for high-quality mentoring for beginning teachers and principals*

Passed by Senate 3/7/07. Heard by House Special Committee on Student Achievement 4/4/07.

<b>HB 417</b> Cunningham, Jane (R)	<i>Changes the laws regarding teacher certification in mathematics, science, technology, engineering, and certain other areas and establishes guidelines regarding students transferring into a different district</i> House Special Committee on Student Achievement 2/1/07 voted do pass on a committee substitute bill 2/21/07. Put on House perfection calendar but no further action taken.
<b>SB 480</b> Ridgeway (R)	<i>Requires the Department of Elementary and Secondary Education to develop standards for mentoring for beginning teachers and principals</i> Senate Education Committee voted do pass on a committee substitute bill 3/7/07. Put on Senate informal perfection calendar but no action taken.
<b>HB 481</b> Sutherland (R)	<i>Establishes the Commissioner's Advisory Council on Teacher Quality within the Department of Elementary and Secondary Education</i> Heard by House Special Committee on Student Achievement 2/7/07.
<b>HB 531</b> Smith, Jason (R)	<i>Adds an additional \$500 annual payment to teachers under the Career Ladder Program</i> Referred to House Elementary and Secondary Education Committee 2/5/07.
<b>HB 562</b> Yates (R)	<i>Adds instructional coaches to the list of certified teachers who are eligible to participate in the Missouri Career Development and Teacher Excellence Plan, known as Career Ladder</i> House second read 1/25/07.
<b>HB 620</b> Muschany (R)	<i>Requires the Department of Elementary and Secondary Education to develop standards for high-quality mentoring for beginning teachers and principals</i> Passed by House 3/8/07. Senate Education Committee voted do pass on a committee substitute 4/11/07. Put on Senate informal perfection calendar but no further action taken.
<b>HB 689</b> Baker, Brian (R)	<i>Requires DESE to develop standards for high-quality mentoring for beginning teachers and principals</i> Heard by House Special Committee on Student Achievement 3/14/07.
<b>HB 1220</b> Cunningham, Jane (R)	<i>Requires certified teachers to submit documentation to DESE every 5 years showing adequate scores on certain assessments</i> House second read 3/30/07.
<b>SB 652</b> Coleman (D)	<i>Creates a legislative task force on improving education service delivery</i> Senate Education Committee voted do pass on committee substitute 4/4/07. Put on Senate formal perfection calendar but no action taken.
<b>HB 758</b> Brown, Michael (D)	<i>Provides an income tax credit for employers who hire qualified high school students for summer jobs</i> Passed by House 5/9/07. Referred to Senate Ways and Means Committee 5/14/07.

**MISCELLANEOUS BILLS**  
**Civil Rights**

**HJR 19**

Bearden (R) *Proposes a constitutional amendment guaranteeing a citizen's First Amendment right to pray on public property and reaffirming a citizen's right to choose any or no religion*  
Passed by House 4/10/07. Senate Pensions, Veterans Affairs, & General Laws Committee voted do pass 4/25/07.

**HCR 37**

Talboy (D) *Establishes Missouri's ratification of the Equal Rights Amendment to the United States Constitution*  
House Second Read 3/5/07.

**Cloning****SJR 10**

Bartle (R) *Repeals the current constitutional provisions regarding stem cell research and prohibits human cloning*  
Referred to Senate Judiciary and Civil & Criminal Jurisprudence Committee 1/22/07.

**HJR 11**

Lembke (R) *Proposes a constitutional amendment prohibiting human cloning and authorizing the General Assembly to enact laws regarding health care research*  
House Health Care Policy Committee voted do pass 3/27/07. Referred to House Rules Committee 3/27/07. Rules voted do not pass 5/1/07.

**SJR 20**

Bartle (R) *Modifies constitutional provisions relating to health care research and human cloning*  
Referred to Senate Judiciary and Civil & Criminal Jurisprudence Committee 2/5/07.

**HJR 23**

Lembke (R) *Proposes a constitutional amendment declaring it unlawful to engage in human cloning*  
House second read 2/26/07.

**SB 651**

Loudon (R) *Criminalizes selecting a human embryo for implantation through in vitro fertilization based on the gender of such embryo and genetic engineering of humans*  
Referred to Senate Judiciary and Civil & Criminal Jurisprudence Committee 3/1/07.

**Employees****SB 587**

Bray (D) *Entitles employees to take unpaid leave from work on the day of an election to serve in the election*  
Referred to Senate Financial & Governmental Organizations and Elections Committee 2/28/07.

**SB 641**

Bray (D) *Creates a collective bargaining process for public employees*  
Referred to Senate Small Business, Insurance & Industrial Relations Committee 3/1/07.

**Employment Training****HB 996**

Hobbs (R) *Abolishes the Missouri Training and Employment Council and the commissioning of a new targeted industries study by the Department of Economic Development*  
Referred to House Special Committee on Workforce Development & Workplace Safety 3/8/07.

**State Revenue****HJR 20**

Bearden (R) *Proposes a constitutional amendment establishing limits on state revenue appropriations*  
House Budget Committee voted do pass on a committee substitute 4/3/07. Rules Committee voted do pass 4/5/07.

<b>SB 222</b>	
Gross (R)	<i>Requires the balance of all state funds to be transferred and credited to the state General Revenue Fund if state revenue does not increase by more than 2 percent</i> Heard by Senate Ways and Means Committee 2/19/07.
<b>SB 455</b>	
Gross (R)	<i>Requires the balance of all state funds in excess of 200 percent be transferred to the state General Revenue Fund every two years</i> Heard by Senate Ways and Means Committee 02/19/07.
<b>Health Insurance</b>	
<b>HB 1006</b>	
Moore (R)	<i>Allows a retired member of the Missouri Consolidated Health Care Plan to add an eligible dependent under certain conditions</i> House Special Committee on Retirement voted do pass 4/5/07.
<b>Illegal Immigration</b>	
<b>HB 692</b>	
Harris, Belinda (D)	<i>Requires that all state service contracts awarded after August 28, 2007, must include specifications that employees of contractors or subcontractors be citizens of the United States</i> Referred to House Corrections and Public Institutions Committee 2/8/07.
<b>Holidays</b>	
<b>HB 68</b>	
Cunningham, Mike (R)	<i>Requires state agencies, public schools and colleges, and political subdivisions to use the traditional names of holidays</i> Referred to House Special Committee on General Laws 2/14/07.
<b>Missouri Technology Corporation</b>	
<b>HBs 364, 804, and 805</b>	
Grisamore (R)	<i>Allows the Missouri Technology Corporation to authorize tax credits in certain situations</i> Perfected by House 4/2/07. Referred to Fiscal Review Committee 4/3/07.
<b>MOSERS</b>	
<b>HB 394</b>	
Dempsey (R)	<i>Allows for the creation of a trust fund for state retiree health care within the Missouri State Employees' Retirement System</i> Withdrawn 1/18/07.
<b>SB 401</b>	
Crowell (R)	<i>Modifies provisions relating to purchases of creditable prior service by members of MOSERS and MPERS</i> Passed by Senate 2/21/07. House Special Committee on Retirement voted do pass 3/29/07.
<b>SB 402</b>	
Crowell (R)	<i>Modifies provisions regarding retirement plan election options within MOSERS</i> Passed by Senate 2/21/07. House Special Committee on Retirement voted do pass 3/29/07.
<b>SB 403</b>	
Crowell (R)	<i>Modifies provisions relating to orders for division of benefits under MOSERS</i> Passed by Senate 2/21/07. House Special Committee on Retirement voted do pass 3/29/07.
<b>SB 404</b>	
Crowell (R)	<i>Modifies provisions relating to the reemployment of retired members of MOSERS</i> Passed by Senate 2/21/07. House Special Committee on Retirement voted do pass 3/29/07.
<b>SB 406</b>	
Crowell (R)	<i>Modifies several provisions regarding administration of MOSERS</i> Truly agreed and finally passed 5/18/07. As of 5/29/07, bill has not been sent to the

Governor.

<b>SB 476</b> Crowell (R)	<i>Authorizes the Board of Trustees of MOSERS to invest certain state funds in order to fund retiree health care benefits and to assist with other state benefit programs as requested</i> Senate Pensions, Veterans' Affairs and General Laws Committee voted do pass 2/28/07. Put on Senate informal perfection calendar but no action taken.
<b>SB 492</b> Crowell (R)	<i>Modifies several provisions regarding public employee retirement plans</i> Senate Pensions, Veterans' Affairs and General Laws Committee voted do pass 2/28/07. Put on Senate informal perfection calendar but no action taken.
<b>SB 628</b> Ridgeway (R)	<i>Modifies provisions relating to vested members of the Missouri State Employees' Retirement System</i> Senate Pensions, Veterans' Affairs and General Laws Committee voted do pass 3/28/07.
<b>HB 765</b> Dempsey (R)	<i>Authorizes the Missouri State Employees' Retirement System to provide services in connection with medical benefit funds established for state employees, retirees, and their dependents</i> House Special Committee on Retirement voted do pass on a committee substitute bill 3/1/07. Rules Committee voted do pass 3/28/07. Put on House perfection calendar but no further action taken.
<b>Professional Licensure</b>	
<b>HCR 35</b> Dempsey (R)	<i>Recognizes and applauds the John Thomas College of Naturopathic Medicine as a school authorized to educate individuals in naturopathic medicine</i> Offered 2/27/07.
<b>HB 277</b> Roorda (D)	<i>Creates the Corrections Officer Training Fund and requires corrections officers and jailers to receive at least 36 hours of training every 3 years</i> Referred to House Corrections and Public Institutions Committee 2/14/07.
<b>SB 281</b> Griesheimer (R)	<i>Establishes continuing education requirements for landscape architects to renew license from state</i> Passed by Senate 3/7/07. House Special Committee on Professional Registration and Licensing voted do pass consent 3/29/07.
<b>SB 289</b> Engler (R)	<i>Amends the law and redefines the practice of professional counselors</i> Senate Financial & Governmental Organizations and Elections Committee voted do pass 4/2/07.
<b>SB 369</b> Scott (R)	<i>Modifies the educational requirements for certain law enforcement personnel</i> Passed by Senate 3/26/07. House Crime Prevention and Public Safety Committee voted do pass 4/24/07. Rules Committee voted do pass 4/30/07.
<b>SB 425</b> Rupp (R)	<i>Creates licensing standards for naturopathic physicians</i> Referred to Senate Financial & Governmental Organizations and Elections 2/5/07.
<b>SB 477</b> Days (D)	<i>Modifies certain educational requirements for peace officer training established by the POST</i>

*Commission*

Passed by Senate 3/29/07. Second read in House 3/30/07.

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<b>SB 482</b> Gibbons (R)	<i>Expands the definition of marital and family therapy to include the diagnosis of behavior and intrapersonal or interpersonal dysfunctions</i> Passed by Senate 3/26/07. House Special Committee on Professional Registration and Licensing voted do pass 5/3/07. Rules Committee voted do pass 5/8/07. Put on Senate calendar of bills for third reading but no further action taken.
 <b>HB 497</b> Sater (R)	<i>Establishes guidelines for the licensure and supervision of physician assistants (requires physicians' assistants to have a masters degree)</i> Truly agreed and finally passed 4/30/07. Delivered to the Governor 5/25/07 but not signed as of 5/29/07.
<b>SB 498</b> Scott (R)	<i>Modifies reciprocity requirements for professional counselor licenses</i> Passed by Senate 3/26/07. House Special Committee on Professional Registration and Licensing voted do pass 4/19/07. Rules voted do pass 4/25/07.
<b>SB 509</b> Scott (R)	<i>Modifies the reciprocity requirements for marital and family counselors</i> Passed by Senate 3/26/07. House Special Committee on Professional Registration and Licensing voted do pass 4/19/07. Rules voted do pass 4/25/07.
<b>SB 537</b> Lager (R)	<i>Amends the law relating to physician assistants</i> Senate Financial & Governmental Organizations and Elections Committee voted do pass 3/14/07. Put on Senate informal perfection calendar but no action taken.
<b>SB 542</b> Scott (R)	<i>Modifies laws relating to the licensing of optometrists</i> Senate Financial & Governmental Organizations and Elections voted do pass consent on a committee substitute 3/12/07. Removed from consent calendar 3/37/07. Put on Senate informal perfection calendar but no action taken.
<b>SB 584</b> Griesheimer (R)	<i>Modifies the licensing requirements for social workers</i> Referred to Senate Financial & Governmental Organizations and Elections Committee 2/28/07.
<b>HB 640</b> Dixon (R)	<i>Enacts provisions relating to naturopathic medical licensing</i> Heard by House Special Committee on General Laws 4/18/07.
<b>HB 753</b> Dixon (R)	<i>Modifies provisions relating to family and marital therapists</i> Referred to House Special Committee on Professional Registration and Licensing 2/22/07.
<b>HB 775</b> Wasson (R)	<i>Requires the Department of Health and Senior Services to provide the employee disqualification list to nursing or medical schools to check it against students participating in patient care services</i> House Special Committee on Professional Registration and Licensing voted do pass consent 3/1/07.
<b>HB 778</b> Wasson (R)	<i>Provides provisions for licensure by reciprocity for professional counselors</i>

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House Special Committee on Professional Registration and Licensing voted do pass consent 3/1/07.

<b>HB 779</b> Wasson (R)	<i>Revises reciprocal licensure requirements for marital and family therapists</i> House Special Committee on Professional Registration and Licensing voted do pass consent 3/1/07.
<b>HB 780</b> Wasson (R)	<i>Expands license renewal extensions for professionals completing military service to include all professionals licensed by the division of professional registration</i> Truly agreed and finally passed 5/17/07. As of 5/29/07, this bill has not been sent to the Governor.
<b>HB 830</b> Wasson (R)	<i>Modifies the laws relating to optometry licensure</i> Heard by House Special Committee on Professional Registration and Licensing 2/22/07.
<b>HB 831</b> Wasson (R)	<i>Modifies the laws relating to the licensing of pharmacists</i> House Special Committee on Professional Registration and Licensing voted do pass consent 3/1/07.
<b>HB 873</b> Portwood (R)	<i>Revises the laws relating to chiropractor education and licensing requirements</i> Referred to House Special Committee on Professional Registration and Licensing 3/29/07.
<b>HB 905</b> Stevenson (R)	<i>Creates licensing standards for naturopathic physicians</i> House second read 2/20/07.
<b>HB 953</b> Page (D)	<i>Revises laws relating to the licensing of social workers</i> Heard by House Special Committee on Professional Registration and Licensing 3/1/07.
<b>State Purchasing</b>	
<b>SB 528</b> Scott (R)	<i>Amends the requirements for state purchasing</i> Referred to Senate Financial & Governmental Organizations and Elections Committee 2/21/07.
<b>State Buildings</b>	
<b>SB 442</b> Stouffer (R)	<i>Amends the requirements for management, design and construction of state buildings</i> Heard by Senate Financial and Governmental Organizations and Elections 02/26/07.
<b>Collective Bargaining</b>	
<b>SB 607</b> Smith, Jeff (D)	<i>Creates a collective bargaining process for public employees</i> Referred to Senate Small Business, Insurance & Industrial Relations Committee 2/28/07.
<b>State Employee Salary</b>	
<b>SB 392</b> Shoemyer (D)	<i>Requires state employee salaries to be annually adjusted by the Consumer Price Index</i> Referred to Senate Financial & Governmental Organizations and Elections Committee 1/30/07.
<b>HB 641</b> Dixon (R)	<i>Increases state employee salaries in an amount equal to the percentage change in the federal Consumer Price Index</i>

House Special Committee on Government Affairs voted do pass 3/13/07.

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**Sunshine Law**

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**HB 967**

Bivins (R)

*Requires any public governmental body to make and retain a verbatim audio recording of any closed meeting*

House second read 2/26/07.

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**Veterans**

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**HB 1014**

Wright (R)

*Gives a preference in all state purchasing contracts to certain disabled veterans doing business as Missouri companies when the quality of work is equal or better and the price is the same or less*

House passed 4/3/07. Senate Financial, Governmental Organizations & Elections Committee voted do pass on a committee substitute 4/23/07. Put on Senate informal perfection calendar but no action taken.

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## **AGENDA ITEM SUMMARY**

### **AGENDA ITEM**

State Student Financial Aid Update  
Coordinating Board for Higher Education  
June 14, 2007

### **DESCRIPTION**

With the passage of Senate Bill 389, the pace of activities relating to the implementation of the new Access Missouri Financial Assistance Program is accelerating in order to ensure the smoothest transition possible. This agenda item provides an update of changes that are underway for the 2007-2008 academic year and recommends action to establish the administrative procedures for the Access Missouri program.

#### **Update on the Implementation of Access Missouri**

Senate Bill 389, as truly agreed to and finally passed by the General Assembly and as signed by the Governor, does not contain an emergency clause. This results in an effective date for the bill of August 28, 2007. However, the bill still requires the department to begin the delivery of financial assistance under the Access Missouri program with the 2007-2008 academic year. Consequently, the MDHE is taking several steps to ensure funds will be delivered beginning in early September of this year.

First is a continued focus on the development and implementation of the changes that will be needed within the department's automated delivery system (Financial Assistance for Missouri Undergraduate Students or FAMOUS). Although the project has faced a number of challenges, particularly relating to funding and documentation of existing system elements, this project remains on schedule for completion in mid-August. House Bill 16, which provides funds necessary to cover the costs of this project, was signed by the Governor on May 22, 2007, ensuring a reliable funding stream for the completion of the project. As a result of the skill and dedication of both department and contract organization staff, the technical issues are being addressed and the first awards under the Access Missouri program are projected to be paid on behalf of students on September 6, 2007.

Second, department staff is distributing information about the Access Missouri program to approved institutions that will participate in the program and to students who may receive awards under the new program. Information about the Access Missouri program is currently available on the department's website for both financial aid professionals and students and will continue to be available on the redesigned website scheduled for release on July 1 of this year. In addition, with regard to institutional information, staff has developed and distributed to schools a proposed implementation timeline.

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Staff has also developed information for financial assistance professionals describing the program and its projected operation, as well as a plan for dissemination of that information. For families and students, supplementary information is being inserted into currently available print materials while those brochures and publications are being updated on a more permanent basis. In addition, letters are being planned to provide early notice to current recipients of the Charles Gallagher and Missouri College Guarantee grants who are unlikely to be eligible under the new program to assist them in planning for this transition.

Third, financial assistance staff has begun to discuss long-term implications of this substantial change in policy direction. Conversations have been initiated concerning research issues that may be raised as a result of the transition to a new need-based financial assistance system. A focus on accountability concerning the performance and impact of this new program is seen as critical. Appropriate measures of accountability should provide long-term support for need-based financial assistance, for future funding increases to expand program eligibility, and for periodic increases in award amounts. Now is the time to begin the establishment of benchmarks and performance goals to ensure the department is prepared to answer questions about the impact of this program and its effects on the success of Missouri in attaining its goals for postsecondary education performance and economic development.

### **Implementation Process: Administrative Rule**

The item relates to the need to develop an administrative rule for the operation of this new program. Although the timelines will be very short, due to the loss of the emergency clause, it is staff's recommendation that the program have in place a complete administrative rule framework for its operation as soon as possible after the effective date. Attached to this agenda item are two rules to serve this purpose: one relating to institutional eligibility and the other establishing parameters for student eligibility and award processes. This structure is modeled after the one used currently for the Charles Gallagher program. Both rules have been reviewed by members of the CBHE State Student Financial Aid Committee and, to the extent possible, reflect their suggestions and comments.

The institutional rule provides clarification and explanation of the definition of approved institutions contained in the statute. It also maintains a system for institutional approval and establishes clear parameters, similar to those used in the Gallagher program, as guidance for schools in maintaining eligibility, the return of funds to the department, and decisions by the coordinating board on eligibility of institutions.

The student rule provides much of the operational structure for the new program. This includes clear definitions of related terms, establishment of expectations for student eligibility, and explicit descriptions of the program's operational parameters.

The goals of the rules are two-fold. First, the intent is to provide a smooth transition by retaining, to the extent possible, current definitions and processes. Avoiding radical change during this transition period will allow students and aid administrators to focus on the challenges presented by the introduction of this new program rather than other types of administrative realignments. Second is to begin a process of standardization and modernization of the language

of the financial aid programs administered by the department. It is anticipated that, through a collaborative development process, the rule for the Access Missouri program can establish broadly agreed-upon definitions and processes for the administration of all MDHE financial assistance programs. Over time, the language in all other rules will be standardized upon this benchmark.

As stated earlier, a somewhat compressed timeline for implementation has been created by the removal of the emergency clause for SB 389. As a result, staff is recommending these rules be filed as emergency rules immediately after the new statutes take effect. This will allow them to become effective after a very short, ten day period and will ensure an adequate administrative foundation for a smooth start up of the program. After additional review and consultation with the financial assistance community, staff will bring a more permanent rule to the CBHE for consideration at its October 2007 meeting.

### **STATUTORY REFERENCE**

Senate Bill 389 (2007); Section 173.1103, RSMo, Access Missouri Financial Assistance Program

### **RECOMMENDED ACTION**

**It is recommended that Coordinating Board direct the Commissioner of Higher Education to file the attached Proposed Rulemakings as emergency rules as soon as possible after the effective date of the enabling legislation and to seek an effective date for those rules that is as early as possible under the related statutory provisions.**

### **ATTACHMENTS**

- Attachment A: Proposed Rulemaking 6 CSR 10-2.140 Institutional Eligibility for Student Participation
- Attachment B: Proposed Rulemaking 6 CSR 10-2.150 Student Eligibility and Application Procedures

## 6 CSR 2.140 Institutional Eligibility for Student Participation

*PURPOSE: This rule sets forth policies and procedures of the Coordinating Board for Higher Education regarding the certification of public and private institutions of higher education so their full-time students may qualify for participation in the Access Missouri Financial Assistance program.*

### (1) Definitions.

(A) Access Missouri shall mean the Access Missouri Financial Assistance Program set forth in sections 173.1101 - 173.1107, RSMo.

(B) Approved institution means any institution located in the state of Missouri that meets the requirements set forth in sections 173.1102(2) or (3), RSMo, and that has been approved under 6 CSR 2.140.

(C) Approved private institution means an educational institution as defined in section 173.1102(2), RSMo.

(D) Approved public institution means an educational institution as defined in section 173.1102(3), RSMo.

(E) CBHE means the Coordinating Board for Higher Education created by section 173.005, RSMo.

(F) Department means the Department of Higher Education created by section 173.005, RSMo.

(G) His, him, or he shall apply equally to the female as well as the male sex where applicable in this rule.

(H) Standard admission policies shall mean policies approved and published by the approved institution to admit special students and students with a certificate of graduation from high school or the equivalent of that certificate.

### (2) Policy.

(A) The CBHE is charged by statute to promulgate reasonable rules and regulations to affect the purposes of the Access Missouri program. In establishing this rule of institutional eligibility, the CBHE is guided principally by the constitution of Missouri; the provisions of sections 173.1101 - 173.1107, RSMo; and decisions of the Missouri Supreme Court construing the laws of the state.

(B) The CBHE will administer the Access Missouri program as a need-based student financial assistance program to assist financially qualified full-time students enrolled in approved institutions of higher education.

### (3) Institutional Eligibility.

(A) Only institutions certified by the CBHE as approved public or private institutions may participate in the Access Missouri program.

(B) Public and private institutions are eligible to participate in the Access Missouri program only if they permit faculty members to select textbooks without influence or pressure from any source in order to be approved institutions. This requirement is in addition to requirements set forth in sections 173.1102(2) and (3), RSMo, and elsewhere in this rule. Selection of textbooks within individual departments or schools by faculty curriculum committees shall not be considered inconsistent with this requirement.

(C) To be an approved private institution, an institution must be a nonprofit educational

institution operating privately under the control of an independent board and not directly controlled or administered by any public agency or political subdivision. This requirement is in addition to requirements set forth in section 173.1102(2), RSMo, and elsewhere in this rule. For the purposes of this rule, an independent board is one that meets the following minimum criteria:

1. The governing instrument of the institution gives the governing board final decision making authority for the institution;
2. The governing board is composed of a number of members as fixed or provided for in the governing instrument of the institution, who serve for terms of definite duration;
3. Each member of the governing board is free to exercise judgment independently in the interest of the institution without being controlled by any person or authority; and
4. The members of the governing board may not be removed by any authority during their respective terms, except for cause. For purposes of this criterion, "cause" shall not include any reason based upon religious affiliation, including failure to follow the directives of any purported superior authority, religious or otherwise.

(D) No institution offering a course of study leading only to a degree in theology or divinity shall be eligible for certification as an approved institution under this rule.

(4) The CBHE shall assign institutions to appropriate institutional groups based on length of program, institutional organization, and other criteria it considers applicable to such assignment.

(5) Institutional Responsibilities.

(A) Approved institutions shall--

1. Admit students based on the institution's standard admission policies;
2. Submit a copy of the institution's policy on satisfactory academic progress for the records of the CBHE;
3. Establish fair and equitable refund policies covering tuition, fees, and, where applicable, room and board charges. The refund policy shall be the same policy used by the institution for refunding all federal Title IV financial aid included in the Higher Education Act of 1965;
4. Systematically organize all student records (student financial aid, registrar, business office) pertaining to students who receive Access Missouri awards to be made readily available for review upon request by the CBHE; and
5. Verify each Access Missouri award recipient's eligibility by transmitting the student's record to the CBHE by the annual deadline published by the CBHE for the current academic year.

(B) When the approved institution receives the Access Missouri program funds for the awards made by the CBHE, the approved institution must—

1. Determine if the applicant is enrolled full-time and is making satisfactory progress in his course of study according to standards determined by the approved institution and 6 CSR 10-2.140;
2. Deliver the Access Missouri program funds to the Access Missouri award recipient in the amount determined by the CBHE using the institution's standard award delivery procedures, retaining the portion of the Access Missouri award that the applicant owes for education-related expenses (tuition, fees, room and board, and/or other education-related expenses) to that institution and promptly give the applicant any remaining funds;
3. Return the applicant's Access Missouri award to the CBHE within thirty (30) days of learning he is no longer eligible to receive an award, if this is determined prior to the delivery of funds to the applicant;
4. Be responsible for the repayment of any funds sent to it by the CBHE within thirty (30)

days of learning either of the following:

A. The institution delivered Access Missouri funds to an applicant not eligible under the Access Missouri program if the award was based on erroneous, improper, or misleading information provided by the institution to the CBHE; or

B. The institution delivered the Access Missouri award funds to a person other than the one to whom the CBHE has directed the funds be delivered; and

5. Determine and calculate the amount of refunds to the CBHE based on the institution's refund formula for applicants who withdraw. The funds must be returned to the CBHE within thirty (30) days of the determination a withdrawal has occurred.

(C) The CBHE may refuse to make Access Missouri awards to applicants who attend institutions that fail to make timely refunds to the CBHE as provided above.

(6) Procedures.

(A) All institutions currently holding an approved institution status shall retain said status for a period of three (3) years from the effective date of this rule, unless that status is terminated in accordance with 6 CSR 10-2.140(3) or 6 CSR 10-2.140(6)(C).

(B) Any institution not designated an approved institution on the effective date of this rule shall make application to the CBHE to be certified as an approved institution in order for students attending the institution to be eligible to participate in the Access Missouri program. Applications for approved institution status shall be made on forms provided therefore by the CBHE. Upon certification of an institution as an approved institution by the CBHE, the status of an approved institution shall continue for a period of three (3) years from the date of certification unless earlier terminated for changes in operation specified in 6 CSR 10-2.140(3) or 6 CSR 10-2.140(6)(C).

(C) During a period in which an institution is certified as an approved institution, if a substantial change occurs in the institution's governing structure; in the institution's hiring policies pertaining to administration, faculty, and staff; in the institution's admissions policies; in the institution's textbook selection procedures; in the level of programs or degrees offered by the institution; in the institution's qualification for accreditation by the Higher Learning Commission or other United States Department of Education-recognized accrediting agency; in the institution's record of compliance with lawfully promulgated CBHE policies and procedures; or in any other matter affecting the criteria set forth in sections 173.205(2) or (3), RSMo, the CBHE may consider whether to terminate the institution's approved status because of such change. Institutions shall notify the CBHE in writing within thirty (30) days after any such change occurs. Before the CBHE makes a decision regarding the status of an approved institution, the CBHE may, at its own discretion, hold one (1) or more public hearing(s) under the procedures set forth in subsection (6)(G) of this rule.

(D) If any institution's approved institution status is terminated before the expiration of the three (3) year term, the institution may thereafter apply to the CBHE for recertification on forms provided by the CBHE.

(E) If an approved institution desires to continue its status as an approved institution, it may apply for renewal of its approved institution status by filing an application for recertification as an approved institution at least sixty (60) days before the date its certification would normally expire. An application for recertification as an approved institution shall be made to the CBHE on forms provided by the CBHE.

(F) Upon receipt of a completed institutional application form, the CBHE may certify or recertify the institution as an approved institution or deny certification as an approved institution. The CBHE may base its decision on the information submitted by the institution, on the institution's

record of compliance with CBHE policies and procedures, and on any other information that the CBHE deems reliable. The CBHE, at its own discretion, may hold one (1) or more public hearing(s) regarding the merits of the application.

(G) In the event the CBHE requires a hearing, the CBHE shall so advise the institution within a reasonable amount of time. The advice to the institution shall state the time and place of the hearing and the issues of concern to the CBHE. The institution shall publish conspicuous notices of such hearing in its buildings and on its grounds, in areas accessible to staff, faculty, and students, and the notices shall set forth the fact that the hearing is to be held; its date, time, location, and purpose; the telephone number and mailing address of the commissioner of higher education at the department, and advice that comments concerning the issues identified by the CBHE may be communicated to the commissioner of higher education.

(H) The decision to certify, recertify, decertify, or reject initial certification of an institution as an approved institution shall rest solely within the discretion of the CBHE.

*Auth: Section 173.1103, RSMo.*

## 6 CSR 10-2.150 Student Eligibility and Application Procedures

*PURPOSE: This rule sets forth the policies of the Coordinating Board for Higher Education regarding student eligibility and application procedures for student financial assistance under the Access Missouri Financial Assistance program.*

### (1) Definitions.

(A) Academic year shall be from July 1 of any year through June 30 of the following year.

(B) Access Missouri shall mean the Access Missouri Financial Assistance Program set forth in sections 173.1101 - 173.1107, RSMo.

(C) Access Missouri award means an amount of money paid by the state of Missouri to a qualified applicant under the Access Missouri program.

(D) Applicant means a student who has filed a complete and accurate application to receive an Access Missouri award as prescribed by the CBHE and who qualifies to receive such award under section 173.1104, RSMo.

(E) Approved institution means any institution located in the state of Missouri that meets the requirements set forth in sections 173.1102(2) or (3), RSMo, and that has been approved under 6 CSR 2.140.

(F) Award year shall be from July 1 of any year through June 30 of the following year, excluding summer terms.

(G) CBHE means the Coordinating Board for Higher Education created by section 173.005, RSMo.

(H) Department means the Department of Higher Education created by section 173.005, RSMo.

(I) EFC means Expected Family Contribution, the amount of money a student and family should pay toward the cost of postsecondary education as calculated annually by the United States Department of Education as a result of an official federal need analysis based on the student's federal need-based aid application form.

(J) Full-time student means a student who is enrolled in at least twelve (12) semester hours, eight (8) quarter hours, or the equivalent in another measurement system, but not less than the respective number sufficient to secure the certificate or degree toward which the student is working in no more than the number of semesters or their equivalent normally required by the institution for the program in which the student is enrolled.

(K) His, him, or he shall apply equally to the female as well as the male sex where applicable in this rule.

(L) Initial recipient means a student who qualifies under section 173.1104, RSMo, has filed an accurate and complete application by the deadline established by the CBHE for the Access Missouri program, and has not received an Access Missouri award in any prior academic year.

(M) Increment group shall mean a group organized by EFC in five hundred dollar (\$500) increments into which all eligible applicants are placed.

(N) Renewal recipient means a student who received an Access Missouri award, who meets the requirements set forth in section 173.1104, RSMo, and who has filed an accurate and complete application by the deadline established by the CBHE for the Access Missouri program.

(O) Residency, for the purpose of this rule, shall be determined by reference to the standards set forth in the determination of student residency rule, 6 CSR 10-3.010.

(P) Satisfactory academic progress means that a student is successfully completing sufficient courses in his course of study to secure the certificate or degree toward which he is working in no

more than the number of semesters or their equivalent normally required by the institution in which the student is enrolled

(2) Basic Eligibility Policy. To qualify for an Access Missouri award, an initial or a renewal recipient, at the time of his application and throughout the period during which he receives the award, must meet the requirements set forth in section 173.1104, RSMo.

(3) Application and Evaluation Policy.

(A) The CBHE shall annually prescribe the time and method for filing applications for financial assistance under the Access Missouri program. It shall make announcement of its action in these respects.

(B) Students shall apply annually for financial assistance under the Access Missouri program by completing and submitting the federal need-based aid application form as prescribed by the United States Department of Education.

(C) The department will evaluate each student's application for an Access Missouri award according to the student's EFC as calculated based on information provided in the student's federal need-based aid application form completed and submitted as prescribed by the United States Department of Education.

(D) Annual award amounts for renewal recipients may be increased or decreased based on a change in the financial condition of the applicant, the financial condition of the applicant's spouse or parents, or availability of funds for distribution during that award year.

(E) Exceptions to the department's procedures applicable to the Access Missouri program and reconsideration of applicants' need will take place only in unusual circumstances, such as death or disability of a wage earner, illness, or other economic reversal, and will be considered on an individual basis only upon written request, submitted to the Missouri Department of Higher Education, Access Missouri Program, 3515 Amazonas Drive, Jefferson City, Missouri 65109.

(4) Award Policy.

(A) Access Missouri awards shall be allotted for one award year.

(B) A renewal recipient may continue to receive a grant under the Access Missouri program so long as the applicant:

1. Maintains a cumulative grade point average of at least two and five-tenths (2.5) on a four-point (4.0) scale, or the equivalent on another scale;

2. Meets the satisfactory academic progress requirements as determined by the approved institution in which he is enrolled and as applied to other students at the approved institution receiving assistance under Title IV financial aid programs included in the Higher Education Act of 1965, with the exception of grade point average;

3. Otherwise meets the criteria of the Access Missouri program; and

4. Has not exceeded-

a) Five (5) semesters at a two(2)-year institution; or

b) Ten(10) semesters or fifteen (15) quarters at a four(4)-year institution.

(C) Initial and renewal recipients who meet the eligibility requirements set forth in sections 173.1101 through 173.1107, RSMo, and this rule shall be eligible for an Access Missouri award, with minimum and maximum annual award amounts as follows:

1. One thousand dollars (\$1,000) maximum and three hundred dollars (\$300) minimum for students attending institutions classified as part of the public two-year sector;

2. Two thousand one hundred fifty dollars (\$2,150) maximum and one thousand dollars

(\$1,000) minimum for students attending institutions classified as part of the public four-year sector, including Linn State Technical College; and

3. Four thousand six hundred dollars (\$4,600) maximum and two thousand dollars (\$2,000) minimum for students attending approved private institutions.

(D) All students with an EFC of twelve thousand dollars (\$12,000) or less shall receive at least the minimum annual award amount for his institution. Maximum annual award amounts for recipients with an EFC above seven thousand dollars (\$7,000) shall be reduced by ten percent of the maximum EFC for his increment group.

(E) Maximum annual award amounts will be reduced as provided in section 173.1105, RSMo, across all institutional groups in order to ensure the total funds awarded through the Access Missouri program do not exceed the funds appropriated. If sufficient funds are appropriated, the department shall increase the number of recipients by raising the EFC cutoff.

(F) A student who has been denied an Access Missouri award for lack of satisfactory academic progress or the grade point average requirement at 6 CSR 10-2.150(4)(B)1 may not receive another Access Missouri award until the enrollment period after the applicable standard has once again been met.

(G) No Access Missouri awards will be granted to a student after-

1. A baccalaureate degree has been granted to the student;
2. The required hours for a baccalaureate degree have been completed by a student; or
3. The student has completed one hundred fifty (150) semester hours or two hundred twenty-five (225) quarter hours of coursework.

(H) Access Missouri awards will be made for use during the normal academic year, but no funds for Access Missouri awards will be granted for use for summer school.

(I) No Access Missouri award will be made retroactive to a previous academic year. An Access Missouri award will be made retroactive to a previous semester only upon the sole discretion of the department.

(J) Access Missouri awards will be issued only after certification of full-time attendance of the student by the institution.

(K) Only one-half the annual Access Missouri award will be issued in a semester of that award year.

(L) An applicant's failure to provide required information by the established deadlines may result in loss of the Access Missouri award.

(M) The CBHE has the discretion to withhold payments of any Access Missouri awards after initiating an inquiry into the eligibility or the continued eligibility of a student or into the approved status of an institution.

(N) A student may transfer the Access Missouri award from one approved public or private institution to another without losing eligibility for assistance, but the CBHE shall make any necessary adjustments in the amount of the award.

(5) Information Sharing Policy. All information on an individual's Access Missouri application will be shared with the financial aid office of the institution to which the individual has applied or is attending to permit verification of data submitted. Information may be shared with federal financial aid offices if necessary to verify data furnished by the state or federal governments as provided for in the Privacy Act of 1974, 5 U.S.C. sections 552, 552a.

*Auth: Section 173.1103, RSMo*

## AGENDA ITEM SUMMARY

### AGENDA ITEM

Community College Capital Funding Policy  
Coordinating Board for Higher Education  
June 14, 2007

### DESCRIPTION

During the February Coordinating Board meeting, it was recommended that a working group be appointed to develop a recommendation for a CBHE policy on community college capital requests, as there was some uncertainty regarding whether the current policy acknowledged or addressed the treatment of community colleges with capital requests. This board item provides recommended revisions to the CBHE Capital Improvement Funding Policy for the board's review and action.

#### Background

The working group on community college capital was formed in March and was comprised of members from the public four-year colleges, the state's technical college and the public community colleges as well as two members from the department staff. The first meeting was held in late March.

During this first meeting, the current CBHE policies for capital requests were disseminated and discussed. Several members stated that the current capital policy appeared to permit and address capital requests for community colleges. There was discussion regarding the manner in which other like states handle capital requests for community colleges. Additional comments revolved around statutes and whether capital funding for community colleges is addressed. The initial meeting ended with agreement to review state statutes and examine methods other states use to address community college capital requests.

Prior to the second meeting, a survey was sent to the State Higher Education Executive Officers (SHEEO) finance officers in all 50 states to determine how other states handle community college capital requests. The survey asked basic questions including: *Does your state request funding for capital improvements for public community colleges? If so, is your process for requesting the funding different from the process used to request funding for four-year institutions? Can you share your policies and procedures for requesting capital funding?*

Sixteen states responded to the survey. Thirteen of those responded that they do request capital funding for their state's community colleges. Six responded that the process for requesting community college capital is the same process used to request funding for four-year institutions. The states that differ in their process for requesting capital gave various reasons including different funding sources and different groups that review the capital requests for community colleges and for four-year institutions.

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The second meeting of the working group was held in early May. The group reviewed Missouri statutes regarding community college capital and was in agreement that the statutes allow for capital funding at Missouri's community colleges. The group suggested that community college capital funding requests should be separate from four-year capital funding requests. The separation will allow for two different priority rankings in the budget request.

### **Capital Funding Policy**

The existing CBHE Capital Improvement Funding Policy and a copy of a proposal for a revised policy on prioritizing capital projects are attached. Several grammatical changes and more substantive revisions are summarized here:

1. The policy is changed to clarify that maintenance and repair funds are to be requested and funded through the operating budget rather than through the capital budget. As such, these guidelines do not apply to maintenance and repair projects.
2. The policy explicitly states that there will be a list for community colleges separate from the list for public universities and Linn State.
3. The policy is revised to reflect an overarching intent that these guidelines apply to all institutions. As such, previous statements about additional criteria for community college technical education facilities have been deleted.

There is additional language in the policy regarding matching fund requirements. Although it has been the practice of recent gubernatorial administrations and General Assemblies to require a 20% match requirement on costs associated with new square footage at Linn State and the universities and a 50% match on all community college projects, there is no legal mandate for such matches. The committee considered a policy that would request one hundred percent of the project costs and would allow the political process to consider match requirements, thus refraining from "volunteering" local or institutional money where it may not be required by the Governor or legislature. However there was strong sentiment that acknowledging demonstrated local support can be a powerful tool in leveraging state funding and that the customary match requirements allow scarce resources to be distributed more widely.

The committee was also concerned about institutions, particularly some community colleges, for which local revenue makes up a very small portion of total revenue. The committee contemplated several ideas that would require a level of local match tied in some way to the proportion of its budget derived from local sources rather than the customary fifty percent. However, there was not consensus on this approach, and there was general concern about implications in terms of equity between institutions and sectors.

Recognizing that there may not be an overarching policy appropriate for all instances, the intent of the proposed revision regarding matching funds is that the Coordinating Board's policy would consider the nature of the project together with an examination of an institution's ability to access and provide local funds when recommending an amount for state appropriations and a relative prioritization.

## **Conclusion**

The existing Coordinating Board policy, Guidelines for Selecting Priorities for Capital Improvement Projects, had become outdated and in need of revision and clarification. The working group appointed to develop a recommendation has presented a policy revision. These suggested revisions were shared with the Board's Higher Education Funding Formula Task Force, which is examining the totality of Missouri's higher education funding policies. Suggestions from that group have been incorporated. There is a possibility that through the larger effort on establishing new funding policies for Missouri higher education that policies regarding capital recommendations may be changed for fiscal year 2010 and beyond. At the same time, approval of the recommended policy revisions will serve as a foundation for FY2009 capital funding requests, which will be submitted to MDHE staff for review and analysis in late July/early August 2007.

## **STATUTORY REFERENCE**

Section 163.191, RSMo, State aid to community colleges  
Chapter 173, RSMo, and Chapter 33.210 – 33.290, RSMo  
Section 173.020, RSMo, CBHE statutory responsibility to plan systematically for the state higher education system  
Section 178.780, RSMo, Special Schools and Instruction and Special Districts

## **RECOMMENDED ACTION**

**It is recommended that the Coordinating Board for Higher Education adopt the revised Guidelines for Selecting Priorities for Capital Improvement Projects as recommended by the members of the community college working group. In addition, it is noted that for FY2009 and subsequent years, community colleges along with all other public institutions will be invited to submit capital requests for consideration by the Coordinating Board for Higher Education.**

## **ATTACHMENTS**

Attachment A: Existing Guidelines for Selecting Priorities for Capital Improvement Projects  
Attachment B: Proposed Guidelines for Selecting Priorities for Capital Improvement Projects

**GUIDELINES FOR SELECTING PRIORITIES  
FOR CAPITAL IMPROVEMENT PROJECTS FOR  
PUBLIC COLLEGES AND UNIVERSITIES**

**I. BACKGROUND**

The Coordinating Board for Higher Education has the statutory responsibility for recommending funding for higher education facilities at Missouri public institutions. In recent years, as the result of a joint initiative by the Department of Higher Education, the Governor, and the General Assembly, significant funding for routine maintenance and repair has been included in the operating appropriations for the public two- and four-year institutions. In keeping with the executive and legislative intent of this initiative, these guidelines anticipate that funds for maintenance and repair will continue to be recommended and appropriated in House Bill 3. Therefore, these guidelines pertain only to the identification and prioritization of major construction projects: Renovation and Rehabilitation; Corrective Construction; Energy Conservation; and New Construction, including planning funds for new construction.

**II. FACTORS CONSIDERED IN PRIORITY RANKING**

In establishing relative priorities for capital funding, consideration should be given to the following factors:

1. Those proposed projects congruent with both the mission of the institution within the system of Missouri higher education and the respective mission implementation plans as reviewed by the CBHE shall receive priority consideration. Campus facility master plans should address this congruence within a five-year projection of facility requirements for the institution based on enrollment and program needs. The campus master plan, including enrollment trends and projections, will therefore serve as the reference point for documenting facility needs. A copy of the current campus master plan should be on file at the CBHE Office.
2. An institutional decision to retain a facility should normally constitute an ongoing commitment to bring that facility up to a good condition and to maintain it. Modernization of classrooms and laboratories to incorporate appropriate technology should be an institutional and CBHE priority. Corrective construction and renovation and rehabilitation should, therefore, in most instances, precede new construction projects in priority.
3. It is recognized that the addition of new square feet requires a significant ongoing commitment of funds for campus security, fuel and utilities, maintenance and repair, etc. Absent justification for additional space based on enrollment change and/or a direct relationship to an approved mission change or enhancement, an increase in any institution's total square footage should be avoided.
4. Projects providing program accessibility to buildings for individuals with physical disabilities shall have a high priority.

5. While not a reason in and of itself to receive a high priority, the condition of a facility is an indicator of need for renovation. In some cases, facilities that are in the poorest condition may more properly be candidates for demolition. In other cases, a fiscally responsible deferred maintenance decision may be appropriate. Self-reported facility condition does, however, provide some insight into institutional prioritizing capital projects. There are other considerations, like state and campus program priorities that override concerns about the condition of a facility.
6. Planning funds should precede funds for new construction and should be appropriated independently. Planning funds should be used to study several alternatives to solve programmatic needs. A project which has received a prior recommendation for planning funds will be reviewed again when construction funds are requested for the project.
7. Parking facilities and facilities related to intercollegiate athletics should be excluded from the capital improvements process on the basis that they should be supported by parking revenues, ticket sales, concessions, and other local revenues or restricted-use fees.
8. Facilities maintained as auxiliary enterprises are considered to be the sole responsibility of the institution. State funding for construction of facilities serving a dual role involving auxiliary functions and educational and general purposes should be limited to the documented percentage of the facility serving educational and general purposes.
9. The CBHE goal of providing a coordinated, balanced, and cost-effective delivery system of higher education will provide guidance to the staff in analyzing existing facility space utilization and in making decisions regarding the need for additional facilities.

#### **ADDITIONAL FACTORS SPECIFIC TO PRIORITY RANKINGS FOR COMMUNITY COLLEGES**

In addition to the above criteria it is recommended that the following criteria be considered when ranking technical education facilities for community colleges:

1. Existence of a documented need for the facility that is consistent with board priorities. Funding may range down from 50 percent of project cost for construction, renovation, and modernization of existing facilities that are consistent with state-wide needs, such as adding centers of programmatic excellence and collaborative economic development projects, and major maintenance and repair projects;
2. The projected impact of collaborative distance education on community college capital needs;
3. Success in district annexation may indicate the need for state assistance in additional technical education facilities; and,
4. Other factors relating to the ability of community colleges to plan and finance capital technical education facilities within the overall framework of Missouri postsecondary education including potential local resources of the colleges.

### **III. PRIORITY RANKING OF RECOMMENDATIONS**

Renovations, remodeling and conversions of space should be awarded high priority ranking to enable the institution to use existing space more efficiently and effectively. Requests for funding of these projects will be reviewed in the context of approved institutional plans and priorities. It is expected that priority ranking from institutions will reflect an integration of academic and facility plans as approved by the institution's governing board.

Recommendations for planning and construction funds will be consistent with the factors listed in Section II. Results of planning for new construction projects must be reviewed with the CBHE before construction funding will be recommended. Planning funds can also be designated for projects such as major changes to utility distribution systems and energy monitoring systems.

**GUIDELINES FOR SELECTING PRIORITIES  
FOR CAPITAL IMPROVEMENT PROJECTS FOR  
PUBLIC COLLEGES, UNIVERSITIES AND COMMUNITY COLLEGES**

**I. BACKGROUND AND CONTEXT**

The Coordinating Board for Higher Education has the statutory responsibility for recommending funding for higher education facilities at Missouri's community colleges, Linn State Technical College, and public four-year universities.

These guidelines for prioritizing capital project requests pertain only to major construction projects in the following categories established by the Office of Administration: Renovation and Rehabilitation; Corrective Construction; Energy Conservation; and New Construction, including planning funds for new construction. It is the current policy of the Coordinating Board that funding for routine maintenance and repair for all institutions should be included in the operating appropriations for the public institutions. Consequently, these guidelines anticipate that maintenance and repair will continue to be considered an on-going operational need that is appropriately addressed in the operating budget.

It is the policy of the Coordinating Board to submit a prioritized request to the Governor and General Assembly for the public four-year universities along with the state's technical college, and a separate prioritized request for community colleges. This separation allows for proper consideration between the different types of institutions with widely varying needs.

**II. FACTORS CONSIDERED IN PRIORITY RANKING**

The CBHE goal of providing a coordinated, balanced, and cost-effective delivery system of higher education will provide overall guidance in analyzing existing facility space utilization and in making decisions regarding the need for additional or renovated facilities.

In addition, the following policy statements will be considered when establishing relative priorities for capital funding:

1. All proposed projects should be congruent with both the mission of the institution within the system of Missouri higher education and the respective mission implementation plans as reviewed by the Coordinating Board. Campus facility master plans should address this congruence within a five-year projection of facility requirements for the institution based on enrollment and program needs. The campus master plan, including enrollment trends and projections, will therefore serve as the reference point for documenting facility needs. A copy of the current campus master plan should be on file at the Coordinating Board Office.
2. Corrective construction and renovation and rehabilitation should, in most instances, precede new construction projects in priority. An institutional decision to retain a facility constitutes an ongoing commitment to bring that facility up to a good condition and to

maintain it. Modernization of classrooms and laboratories to incorporate appropriate technology should be an institutional and Coordinating Board priority.

3. The addition of new square feet typically requires an ongoing financial commitment for campus security, fuel and utilities, maintenance and repair, etc. Absent justification for additional space based on enrollment change, a direct relationship to an approved mission change or enhancement, and/or the identification of available operational and maintenance funding, any increase in an institution's total square footage should be carefully reviewed and thoroughly justified.
4. Projects providing program accessibility to buildings for individuals with physical disabilities shall have a high priority.
5. The overall condition of a facility must be considered when evaluating the appropriateness of renovation and the prioritization of capital projects. In some cases, facilities that are in the poorest condition may more properly be candidates for demolition. In other cases, a fiscally responsible deferred maintenance decision may be more appropriate than the development of a capital request. There are other considerations, like state and campus program priorities, that override the condition of a facility in determining renovation or new construction needs.
6. Planning funds should precede funds for new construction and should be requested independently. Planning funds should be used in part to study several alternatives to address programmatic needs. A project with a prior Coordinating Board recommendation and state appropriation for planning funds should be prioritized in a manner reflecting that previous public investment, but may be reviewed again when construction funds are requested for the project.
7. Facilities maintained as auxiliary enterprises including, for example, student housing, parking facilities, and facilities related to intercollegiate athletics are considered to be the responsibility of the institution. State funding for construction of facilities serving a dual role involving auxiliary functions and educational and general purposes should be limited to the documented percentage of the facility serving educational and general purposes.
8. The state has traditionally attached a 20% match requirement on costs associated with new square footage at Linn State and the universities, and a 50% match on all community college projects. While acknowledging these customary requirements, an institution's ability to access private/local funds should be considered in addition to the nature of the project in determining the percentage of total cost to be requested. The existence or non-existence of an institutional match should not necessarily be determinate of its relative priority or eligibility to be prioritized.

## **AGENDA ITEM SUMMARY**

### **AGENDA ITEM**

Off-Site Instructional Activity Surveys – Southeast Missouri State University and  
Three Rivers Community College  
Coordinating Board for Higher Education  
June 14, 2007

### **DESCRIPTION**

At its December 2005 meeting, the Coordinating Board determined that ongoing tensions between Three Rivers Community College (TRCC) and Southeast Missouri State University (Southeast) had reached a “critical mass resulting in potentially detrimental effects on the delivery of student services”. Differences between the institutions over delivery of off-site / out-of-taxing district instruction, particularly in Sikeston, Malden, and Kennett, resulted in the CBHE setting forth a number of criteria under which these institutions, and potentially others in similar conflicts, would be directed to provide detailed data summarizing off-site / out-of-taxing district instructional activity in overlapping regions to support further decision-making by the Coordinating Board. The intent of this agenda item is to provide revised FY2005 and completed FY2006 data in response to this reporting mandate.

### **Background**

In February 2005, Southeast notified TRCC that a contract formalizing collaboration between the institutions at sites in Sikeston, Malden, and Kennett would be terminated. Despite efforts by the Commissioner of Higher Education and others to work with the institutions to resolve differences, the collaboration was terminated, and TRCC filed a lawsuit against Southeast which remains in process.

As noted above, the Coordinating Board directed in December 2005 that MDHE staff develop an annual report to which TRCC and Southeast, and potentially other institutions in similar conflicts, would be directed to respond in order to support further decision-making by the Coordinating Board, until such time as the CBHE determined to sunset the reporting mandate. The CBHE has also publicly encouraged both institutions to continue to “maintain a focus on serving the needs of students, on addressing the unique challenges of the region, on collaborating with other educational institutions that serve the same region, and on fulfilling a commitment to train a highly educated workforce”.

In response to this directive, data reflecting off-site / out-of-taxing district instruction by both institutions in FY2005 were collected and reported to the CBHE in June 2006. However, it became apparent in discussions with the CBHE and with MDHE staff that further clarification was required in reporting definitions to facilitate comparable data, particularly in regards to revenues

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June 14, 2007

and expenditures for each reported site. The Coordinating Board directed institutions to work with MDHE staff to define common reporting parameters, and following these discussions, a revised survey and instructions were developed which clarified a number of issues, most principally:

- Limiting fiscal reporting to expenses directly incurred by, or revenues directly incurred at, each site. Further research by MDHE staff has determined this to be common practice in accounting for off-site instruction, and likely to result in the most comparable financial data, although some allowances were made for prorating the salaries of full-time faculty and campus staff “assigned primarily to the duties associated with the center”. While these data will not fully reflect revenues and expenditures associated with each site, revised reporting will best reflect the extent to which each site is financially self-sufficient.
- Determining that retention, financial aid, and fiscal data would best be collected beginning in FY2006. While these data were initially collected pertaining to FY2005 instruction, reported fiscal data was particularly deemed incomparable, “given differences in accounting systems prior to the termination of collaboration”. MDHE staff has additionally determined that fiscal data collected following the termination of collaboration would best meet the needs of the Coordinating Board in determining that state resources are (presently) being efficiently deployed.
- Further clarifying reporting definitions for student and faculty FTE, as well as for student retention.
- Specifically defining the reporting “footprint” for both institutions:
  - Three Rivers Community College should report all centers offering off-campus instruction, with the exception of those offering exclusively dual credit, which are within its service region but outside its taxing district.
  - Southeast Missouri State University should report all centers offering off-campus instruction, with the exception of those offering exclusively dual credit, which are within the service region and taxing district of Three Rivers Community College but outside Cape Girardeau county.

### **FY2005 Revised Data**

In accordance with revised instructions, both Southeast and TRCC were directed to review FY2005 data on site information and enrollments, as well as program and course offerings, for completion and consistency. TRCC again reported Sikeston, Malden, Kennett, and 10 additional lower-enrollment sites, while Southeast reported the three bootheel sites, as well as instruction at the TRCC campus in Poplar Bluff within their reporting “footprint” as defined above.

*FY2005: Sikeston, Malden, and Kennett:*

	Southeast	TRCC
Faculty FTE - FT	23.2	5.5
Faculty FTE - PT	13	24.4
Undergraduate FTE	333.2	496.7
Graduate FTE	25.66	0
Programs	14	51
Courses	235	314
Sections	375	363

- As previously noted by the CBHE, “course enrollments for FY2005 have demonstrated a demand for services across the certificate and degree programs offered”. Both institutions reported significant undergraduate FTE across the common sites.
- Southeast relied primarily on full-time faculty at these sites, while TRCC primarily employed part-time faculty.
- Southeast reported on-site administrative staff at all three sites, while TRCC did not report comparable staff at any of the three sites. TRCC indicated that some staff operate from the home campus who are assigned responsibilities associated with all off-campus programs.
- Additional staff based at home campuses have duties associated with off-campus instruction, but costs associated with those staff are not included here, as they are not direct expenditures associated with a *specific* site.
- Both institutions reported a range of award levels available at the sites, as well as a range of ITV and “hybrid” instruction available to students.

*FY2005: Other Sites:*

	Poplar Bluff (Southeast)	Other (TRCC)
Faculty FTE - FT	5.4	0.3
Faculty FTE - PT	1.4	3
Undergraduate FTE	40.4	22.4
Graduate FTE	16.4	0
Programs	4	5
Courses	55	30
Sections	64	30

- Southeast additionally reported significant instructional activity on the TRCC campus, while TRCC reported 10 additional sites throughout the region at which FTE enrollment was markedly lower than that at Sikeston, Malden, and Kennett (.7 – 5.6 annualized FTE).
- At these additional lower-activity sites, TRCC reported fractional faculty FTE; 1-3 courses were offered throughout the year at all sites except Cape Girardeau (7 courses) and New Madrid (10 courses).
- Of these lower-activity sites, only at New Madrid did TRCC list that programs could be completed (5). According to defined reporting parameters, institutions could include available internet courses in determining which programs could be completed at each site.

### FY2006 Reported Data

As noted above, both institutions were also directed to report data detailing off-site / out-of-taxing district instructional activity during FY2006 in the defined reporting regions. FY2006 data also included comparable data regarding retention and financial aid, as well as direct revenues and expenditures across the reported sites.

*FY2006: Sikeston, Malden, and Kennett:*

	Southeast	TRCC
Faculty FTE - FT	35	5.3
Faculty FTE - PT	24.8	21.7
Undergraduate FTE	660.5	266.7
Graduate FTE	66.2	0
Programs	15	51
Courses	328	239
Sections	654	262
Direct Expend.	\$3,271,721	\$853,334
Direct Revenue	\$2,509,035	\$741,420
Avg. DE Per FTE	\$4,502	\$3,200
Revenue Ratio	76.7%	86.9%
Total Aided Students	2,680	682
Federal	\$19,287,906	\$1,370,256
State	\$148,750	\$42,814
Institutional	\$688,192	\$28,905

- Between FY2005 and FY2006, Southeast’s FTE had doubled at Sikeston, Malden, and Kennett, both overall, and for undergraduate and graduate students as subgroups. TRCC’s FTE had decreased at the three sites between FY2005 and FY2006 by over 200 FTE, and there were corresponding decreases in the number of courses and sections offered.
- For purposes of comparison, MDHE staff calculated aggregate direct expenditures and revenue across the three sites, as well as a measure of direct expenditures per FTE, and a “revenue ratio”, which is simply the extent to which direct expenditures are offset by direct revenue. Southeast’s instructional activity does reflect a higher average direct expenditure per FTE, and a lower revenue ratio, although Southeast also continued a greater reliance on full-time faculty and offered graduate coursework at the sites.
- “Total aided students” is very likely a duplicated count when accounting for students who may have attended multiple instructional sites. Likewise, financial aid totals reflect all aid distributed to all students who attended any of the three sites.
- Retention was reported for all degree-seeking students who enrolled in fall 2005 at each site, and again in spring or summer 2006 at any of the institution’s instructional sites. Retention for students at these three sites ranged from 76.3 – 79.9 percent for Southeast, and from 64.6 – 74 percent at each of the three sites for TRCC students.
- Additionally, Southeast reported cohort completion rates ranging from 3.4 – 11.1 percent at the three sites during FY2006, while TRCC reported cohort completion rates ranging from 0 – 3.8 percent at the three sites.
- MDHE staff calculated the percentage of all aid distributed to all attending students which was need-based aid. This percentage ranged from 40.9 – 48.7 percent at the three Southeast sites, and from 19.1 – 25.8 percent at the three TRCC sites.

*FY2006: Other Sites:*

	Poplar Bluff (Southeast)	Other (TRCC)
Faculty FTE - FT	6.2	3.6
Faculty FTE - PT	1.3	9.5
Undergraduate FTE	49.2	72.6
Graduate FTE	17.4	0
Programs	4	5
Courses	59	125
Sections	74	132

Direct Expend.	\$268,393	\$277,432
Direct Revenue	\$296,142	\$218,742
Avg. DE Per FTE	\$4,030	\$3,821
Revenue Ratio	110.3%	78.8%

Total Aided Students	293	344
Federal	\$2,968,617	\$666,161
State	\$ 14,070	\$42,231
Institutional	\$ 64,125	\$30,496

- FTE enrollment for Southeast at Poplar Bluff decreased between FY2005 and FY2006, while FTE enrollment at TRCC’s other lower activity sites has increased in the aggregate over that period. TRCC reported 13 additional off-campus / out-of-taxing district instructional sites in FY2006 (up from 10 in FY2005), although TRCC does report that it is no longer offering instruction in Cape Girardeau at the request of Southeast.
- TRCC does report that three of its sites (Bernie, Campbell, and Portageville Delta) accounted for 77.1 percent of annualized student FTE at its lower-activity sites.
- Course and program offerings increased slightly for Southeast and significantly for TRCC between FY2005 and FY2006 at sites other than Sikeston, Malden, and Kennett. Again, internet courses may be included for the purposes of determining offered programs.
- Both institutions report similar measures of average direct expenditures per FTE across these sites.
- Southeast reports a positive revenue ratio for instruction at the TRCC campus. TRCC’s aggregate revenue ratio is lower than reported for Sikeston, Malden, and Kennett, although it is positive (170.4 percent) across the 10 sites with lowest enrollment (all under 4.0 annualized FTE).

**Discussion**

Revised FY2005 and provided FY2006 data from Southeast and TRCC provide reasonably comparable baselines with which to analyze off-site / out-of-district instructional activity in the region.

Course enrollments for both FY 2005 and FY 2006 demonstrate a demand for services across the certificate and degree programs offered. In the immediate year following the breakdown of operating out of the same facility, enrollment shifts have occurred. Southeast increased its market share across Malden, Kennett and Sikeston while Three Rivers underwent some reductions. Reasons for these changes, however, are not clear. Confounding factors include the expansion of offerings in neighboring communities, opportunities for on-line enrollment which are not captured in these data and the difficulty of launching new sites. Fiscal data do not appear to suggest inefficiencies at this point in time.

Both institutions have indicated their expectation that FY 2007 enrollments have increased based on a cursory review of preliminary data. Although originally July 1<sup>st</sup> was established as the date for the annual submission of data from the most recently completed academic year, moving this deadline until later in the fall will ensure data are more complete and accurate.

Several questions raised highlight additional data elements that would help inform future analyses and potential conclusions including:

- 1) Differentiation between upper- and lower-division coursework for generated undergraduate FTE student credit hours
- 2) Data on the number of online FTE from students in the region (not linked to individual sites), but which may be an important dimension of instructional FTE in the region.
- 3) Enrollment data for FY 2007 and beyond to determine enrollment trends particularly with respect to Sikeston, Malden, and Kennett.
- 4) An analysis of course schedules offered to prospective students compared to actual courses offered based on minimal course enrollments. These data can be used to create a more definitive count of available programs offered at each distinct site.

### **Conclusion**

While there remain some uncertainties and questions, the data reported by both institutions is more comparable than that initially provided to the Coordinating Board, given clarifications in reporting parameters. Given the available data, certain conclusions are evident:

- The data suggest that demand exists for the services of both institutions in the region, apart from instruction offered on both home campuses. In fact, in several cases, communities have made financial investments in facilities housing instructional services, and external grant funds have likewise supported program development in key disciplines in the region.
- Between FY2005 and FY2006, when collaborative arrangements ended, there was a significant drop in the total FTE served by TRCC in the region although the FTE generated at low activity sites more than doubled. However, with only two years of data it is not possible to draw conclusions about causation or trends on this issue. Continued data collection and analysis is required to build trend lines on the existing baseline, and to better understand the continuing impact of the conflict on students and the institutions.
- Direct expenditures per FTE for both institutions in the region seem reasonable, and do not appear to constitute inefficient use of funds. However, the financial situation requires continued monitoring as enrollment patterns and program offerings continue to change.

Presidents from both Three Rivers and Southeast have indicated their commitment to work with local business and industry to better understand the postsecondary education needs and demands of the region and to collaborate with other educational institutions that serve the region in producing a highly educated workforce that will support economic development.

## **STATUTORY REFERENCE**

Section 173.005.2(4), RSMo, Establishment of state-supported senior colleges or residence centers

Section 173.005.2(5), RSMo, Coordinating Board for Higher Education shall establish admission guidelines consistent with institutional missions

Section 173.005.2(9), RSMo, Compliance with requests from the Coordinating Board for Higher Education

## **RECOMMENDED ACTION**

**It is recommended that the Coordinating Board commend both institutions for their cooperation in the collection and submission of comparable data detailing off-site / out-of-taxing district instructional activity in the region in FY2005 and FY2006.**

**It is further recommended that the Coordinating Board:**

- **Adjust its initial reporting timeline, which directed that data be reported annually by July 1, to direct that annual reports for each fiscal year be provided and reported to the CBHE by November 1 beginning with November 1 2007 for FY 2007 data; and**
- **Encourage both institutions to continue to work to strengthen educational attainment in southeast Missouri, and to seek collaboration with each other and with other entities where possible.**

## **ATTACHMENT(S)**

None

## AGENDA ITEM SUMMARY

### AGENDA ITEM

Distribution of Community College Funds  
Coordinating Board for Higher Education  
June 14, 2007

### DESCRIPTION

The process for making state aid payments to community colleges in FY2007 will be monthly. All FY2007 state aid appropriations are subject to a three percent governor's reserve.

The total FY2007 state aid appropriation for community colleges is \$136,029,827. The amount available to be distributed (appropriation less the three percent governor's reserve) is \$131,948,932.

The payment schedule for April through May 2007 state aid distributions is summarized below.

State Aid (excluding M&R) – GR portion	\$ 13,791,304
State Aid – lottery portion	989,422
Workforce Preparation – GR portion	2,418,766
Workforce Preparation – lottery portion	215,393
Out-of-District Programs	190,118
Technical Education	3,305,810
Workforce Preparation for TANF Recipients	265,794
Maintenance and Repair	<u>883,990</u>
TOTAL	\$ 22,060,597

The total distribution of state higher education funds to community colleges during this period is \$22,060,597. The total FY2007 distribution to date is \$120,814,028.

### STATUTORY REFERENCE

Section 163.191, RSMo

### RECOMMENDED ACTION

Assigned to Consent Calendar

### ATTACHMENT(S)

None

Coordinating Board for Higher Education  
June 14, 2007

## **AGENDA ITEM SUMMARY**

### **AGENDA ITEM**

Academic Program Actions  
Coordinating Board for Higher Education  
June 14, 2007

### **DESCRIPTION**

All program actions that have occurred since the April 12, 2007, Coordinating Board meeting are reported in this consent calendar item.

### **STATUTORY REFERENCE**

Sections 173.005.2(1), 173.005.2(7), 173.030(1), and 173.030(2), RSMo, Statutory requirements regarding CBHE approval of new degree programs

### **RECOMMENDED ACTION**

Assigned to Consent Calendar

### **ATTACHMENT**

Academic Program Actions

## ACADEMIC PROGRAM ACTIONS

### I. Programs Discontinued

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

### II. Programs and Options Placed on Inactive Status

#### Lincoln University

Current Program:

BS, Mechanical Technology

Approved Change:

Inactive Program

Program as Changed:

BS, Mechanical Technology (Inactive)

#### University of Missouri – Columbia

Current Program:

MPT, Physical Therapy

Approved Change:

Inactivate Program

Program as Changed:

MPT, Physical Therapy (Inactive)

### III. Approved Changes in Academic Programs

#### Crowder College

Current Program:

AAT, Teaching

Approved Change:

Add delivery of programs at Crowder College locations in Cassville, Nevada, and Webb City

Program as Changed:

AAT, Teaching (Off-site delivery at Crowder College locations in Cassville, Nevada, and Webb City)

### **East Central College**

Current Program:

AAT, Teaching

Approved Change:

Add delivery of programs at East Central College's location in Rolla

Program as Changed:

AAT, Teaching (Off-site delivery at East Central College's location in Rolla)

### **Jefferson College**

Current Program:

AAT, Teaching

Approved Change:

Add delivery of programs at the Jefferson College location in Arnold

Program as Changed:

AAT, Teaching (Off-site delivery at the Jefferson College location in Arnold)

### **Metropolitan Community College – Business and Technology.**

Current Program:

AAS, Industrial Technologies  
Bricklayer  
Construction Carpentry  
Construction Cement Masons  
Construction Ironworking  
Construction Laborers  
Electronics Engineering Technology  
Electronics Technology  
Glaziers  
Heating, Ventilation, & Air Conditioning  
Industrial Electrical  
Industrial Maintenance  
Inside Wiring  
Millwright  
Painters  
Stationary Engineer

Approved Changes:

Add options in Plumbing, Sheet Metal, and Electric Utility Line Technician

Program as Changed:

AAS, Industrial Technologies  
Bricklayer  
Construction Carpentry  
Construction Cement Masons  
Construction Ironworking  
Construction Laborers  
Electronics Engineering Technology  
Electronics Technology  
Electric Utility Line Technician  
Glaziers  
Heating, Ventilation, & Air Conditioning  
Industrial Electrical  
Industrial Maintenance  
Inside Wiring  
Millwright  
Painters  
Plumbing  
Stationary Engineer  
Sheet Metal

**Metropolitan Community College – Penn Valley**

1. Current Program:

AAS, Fashion Design

Approved Change:

Change title to Apparel and Textiles – Design and Production  
Development

Program as Changed:

AAS, Apparel and Textiles – Design and Production Development

2. Current Program:

AAS, Fashion Merchandising

Approved Change:

Change title to Apparel and Textiles – Merchandising and Marketing

Program as Changed:

AAS, Apparel and Textiles – Merchandising and Marketing

**Mineral Area College**

Current Program:

AAT, Teaching

Approved Change:

Add delivery of programs at Mineral Area College locations in Perryville, Potosi, Winona, and at the Fredericktown Campus Center

Program as Changed:

AAT, Teaching (Off-site delivery at Mineral Area College locations in Perryville, Potosi, Winona, and at the Fredericktown Campus Center)

**Missouri Western State University**

Current Program:

BS, Biology  
Biology  
Conservation/Wildlife  
Health Science

Approved Change:

Add two options, Botany and Zoology

Program as Changed:

BS, Biology  
Biology  
Botany  
Conservation/Wildlife  
Health Science  
Zoology

**Moberly Area Community College**

Current Program:

AAT, Teaching

Approved Change:

Add delivery of programs at MACC locations in Columbia, Edina, Hannibal, Kirksville, and Mexico

Program as Changed:

AAT, Teaching (Off-site delivery at MACC locations in at Columbia, Edina, Hannibal, Kirksville, and Mexico)

### **North Central Missouri College**

Current Program:

AAT, Teaching

Approved Change:

Add delivery of programs at North Central Missouri College locations in Brookfield, Chillicothe, and Maryville

Program as Changed:

AAT, Teaching (Off-site delivery at North Central Missouri College locations in Brookfield, Chillicothe, and Maryville)

### **Ozarks Technical Community College**

1. Current Program:

AAT, Teaching (Off-site delivery at OTCC locations in Branson, Lebanon, and Richwood Valley)

Approved Change:

Add delivery of programs at OTCC location in Waynesville

Program as Changed:

AAT, Teaching (Off-site delivery at OTCC locations in Branson, Lebanon, Richwood Valley, and Waynesville)

2. Current Program:

AAS, Culinary Arts

Approved Change:

Add one-year, C1, certificate in Baking

Program as Changed:

AAS, Culinary Arts  
C1, Baking

3. Current Program:

AAS, Industrial Maintenance and Automation Technology  
C1, Industrial Maintenance and Automation Technology

Approved Change:

Change title of AAS and C1 to Industrial Control and Automation Technology

Program as Changed:

AAS, Industrial Control and Automation Technology  
C1, Industrial Control and Automation Technology

**St. Louis Community College**

Current Program:

AAT, Teaching

Approved Change:

Add delivery of programs at South County Education Center and University Center

Program as Changed:

AAT, Teaching (Off-site delivery at South County Education Center and University Center)

**State Fair Community College**

Current Program:

AAT, Teaching

Approved Change:

Add delivery of programs at State Fair Community College locations in Clinton, Lake Ozarks, and Whiteman AFB

Program as Changed:

AAT, Teaching (Off-site delivery at State Fair Community College locations in Clinton, Lake Ozarks, and Whiteman AFB)

**University of Missouri – Rolla**

Graduate-Level Courses Offered through the:

Department of Business Administration

Approved Change:

Add Graduate Certificate (GRCT) in Business Essentials

Program as Changed:

GRCT, Business Essentials

**IV. Received and Reviewed Changes in Programs (Independent Colleges and Universities)**

**Culver-Stockton College**

Current Program:

BS, Arts Management

Approved Changes:

Change nomenclature from BS to BFA

Program as Changed:

BFA, Arts Management

**Fontbonne University**

Current Programs Delivered at Florissant Senior Dining Center Site:

BA, Contemporary Studies  
BA, Organizational Studies  
BBA, Business Administration  
BS, Sports and Entertainment Management  
MBA, Business Administration

Current Programs Delivered at James J. Eagan Center Site:

BA, Organizational Studies  
BBA, Business Administration  
MBA, Business Administration

Current Programs Delivered at John F. Kennedy Community Center Site:

BA, Contemporary Studies  
BA, Organizational Studies  
BBA, Business Administration  
BS, Sports and Entertainment Management  
MBA, Business Administration

Approved Changes:

Consolidate and relocate all programs from sites, listed above, to #1D Paddock Hills Plaza, Florissant, MO 63033

Programs Relocated to #1D Paddock Hills Plaza:

BA, Contemporary Studies  
BA, Organizational Studies  
BBA, Business Administration  
BS, Sports and Entertainment Management  
MBA, Business Administration

**V. Program Changes Requested and Not Approved**

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

**VI. New Programs Approved**

**Missouri Western State University**

1. BFA, Graphic Design
2. BA, Philosophy
3. BFA, Studio Art

**North Central Missouri College**

1. AAS, Medical Laboratory Technology
2. AAS, Manufacturing Skill Standards Council – Production Technician Certification  
C0, Manufacturing Skill Standards Council – Production Technician Certification
3. C2, Practical Nursing

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

**Fontbonne University**

MAT, Master of Arts in Teaching

**VIII. Programs Withdrawn**

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

**IX. New Programs Not Approved**

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

## **AGENDA ITEM SUMMARY**

### **AGENDA ITEM**

Committee on Transfer and Articulation Update  
Coordinating Board for Higher Education  
June 14, 2007

### **DESCRIPTION**

The Coordinating Board for Higher Education's standing advisory committee, the Committee on Transfer and Articulation (COTA), works within the board's statutory authority to "establish guidelines and to promote and facilitate the transfer of students between institutions of higher education within the state." The intent of this agenda item is to provide an update of COTA activities since the last board meeting.

#### **Background**

COTA held two meetings since the April 2007 Coordinating Board meeting. The following summary highlights COTA's recent work.

#### **AAT Articulation Agreement**

At the April 2007 COTA meeting, the articulation agreement for the Associate of Arts in Teaching (AAT) degree was finalized. On May 11, 2007, the articulation agreement was sent to the Chief Executive Officer and Chief Academic Officer of each public and independent four-year institution requesting that their institution become a formal signatory to the AAT.

Currently, four-year institutions that have signed the articulation agreement are developing program plans that will explain the course/credit equivalencies between the two-year AAT and their four-year Bachelor in Education programs. The development of the program plans may necessitate further discussion as questions and concerns arise concerning general issues as well as plans for distributing the program plans to institutional personnel and prospective students. Further developments concerning the AAT articulation agreement will be reported to the Board at subsequent meetings.

A list of responding institutions as of June 1, 2007, is included as an attachment to provide the most up-to-date information regarding signatory institutions and those that have chosen not to participate. This list will be updated regularly and will be posted on the MDHE website.

#### **2008 Missouri Transfer Conference**

COTA has begun planning for the 2008 Missouri Transfer Conference. There are funds available from the 2007 conference that will be used to grow the 2008 conference. COTA is looking for a larger venue to hold the conference as the 2007 conference was fully attended and attendance is expected to increase for 2008.

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A Transfer Quick Facts will be developed over the summer and will be used to inform the 2008 conference.

**STATUTORY REFERENCE**

Section 173.020(3) and 173.005.2(6), RSMo, Responsibilities of the Coordinating Board

**RECOMMENDED ACTION**

Assigned to Consent Calendar

**ATTACHMENT**

Attachment A: List of Current COTA Members

Attachment B: List of Responding Institutions

**CBHE Committee on Transfer and Articulation  
June 14, 2007**

**Dr. Evelyn Jorgenson, President (Chair)**

Moberly Area Community College

**Dr. Don Doucette, Vice Chancellor**

Metropolitan Community College

**Dr. Marsha Drennon, President**

State Fair Community College

**Ms. Karen Finkenkeller, Director**

ITT Technical Institute

**Dr. R. Alton Lacey, President**

Missouri Baptist University

**Dr. Stephen Lehmkuhle, Senior Vice President for Academic Affairs**

University of Missouri System

**Dr. Aaron Podolefsky, President**

University of Central Missouri

**Dr. James Scanlon, President**

Missouri Western State University

**Dr. Robert Stein, Commissioner of Higher Education (ex-officio voting member)**

Missouri Department of Higher Education

**Support Staff**

**Ms. Hillary Fuhrman, Research Associate**

Missouri Department of Higher Education

**Mr. Jeremy Kintzel, Research Associate**

Missouri Department of Higher Education

**Mr. B.J. White, Program Specialist**

Missouri Department of Higher Education

**Alternates**

Public 4-year: **Kandis Smith (UM System), Jeanie Crain**

Public 2-year: **John Cosgrove**

Independent: **Arlen Dykstra**

Coordinating Board for Higher Education

June 14, 2007

**CBHE Committee on Transfer and Articulation  
Responding Institutions to the AAT Articulation Agreement**

The following institutions have responded to the AAT Articulation Agreement as of June 1, 2007.

**Four Year Signatories to the AAT:**

**Public Four-Year Universities**

Harris-Stowe State University  
Missouri Western State University  
Northwest Missouri State University  
Southeast Missouri State University  
University of Missouri – Kansas City  
University of Missouri – St. Louis

**Independent Four-Year Colleges and Universities**

Webster University  
Westminster College

**Four-Year Institutions Choosing Not to Become Signatories:**

**Independent Four-Year Colleges and Universities**

Washington University  
William Jewell College

## AGENDA ITEM SUMMARY

### AGENDA ITEM

Lumina Grant Update  
Coordinating Board for Higher Education  
June 14, 2007

### DESCRIPTION

The Missouri Department of Higher Education (MDHE) and the University of Missouri – Columbia Department of Economics have recently completed a major research project analyzing the demographics of financial need and the distribution of student aid by four-year public institutions in Missouri. This project and a similar predecessor were enabled by the generous support of the Lumina Foundation for Education, as well as by the voluntary participation of the majority of Missouri’s public four-year universities, which provided data for each project. The intent of this board item is to provide a summary of the research project and final report.

#### **Background**

The recently concluded research project was facilitated by the second of two major research grants from the Lumina Foundation for Education. The first grant was provided from summer 2002 – summer 2004, and the second grant was provided from fall 2004 – spring 2007. Formal reports summarizing both *Access and Affordability* research projects are now available at the MDHE website - <http://www.dhe.mo.gov/research.shtml> - although this agenda item will focus on process and findings of the 2007 project. Key findings and policy implications of the 2007 report are included as an attachment.

Over the course of the second project, researchers analyzed individual student records of financial aid distribution detailing the source of aid, e.g. various sources of federal, state, institutional, and other aid. These data could then be examined in connection with other unit-record data available at the state level, particularly Free Application for Federal Student Aid (FAFSA) submissions by all Missouri residents, as well as collected data on student enrollment and completions in the public sector. In this way, data could be constructed that included elements from all sources, including aid distribution, student demographics, student and family income, and student enrollment status, especially first-time enrollment and class level. Researchers were then able to analyze these records to explore a number of issues:

- Demographics of FAFSA application (analyzed as a proxy measure of financial need) among all Missouri residents as well as first-time freshmen in the 2002-03, 2003-04, and 2004-05 academic years
- Demographics and other characteristics of financial aid distribution during the 2003-04 academic year, including race / ethnicity, dependency status, ACT score, and class level
- Trends in aid distribution across data collected for both Lumina-funded research projects

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While the research conducted certainly possesses inherent value as a resource in ongoing aid-related policy work in the state, the report also connects issues of financial need and aid distribution to other important policy areas impacting access to and affordability of higher education in Missouri, including P-20 / curriculum alignment work, transfer and articulation, teacher quality, and integrated data systems.

### **Conclusion**

The final *Access and Affordability 2007* summary, published on the MDHE website as detailed above, was commended by the Lumina Foundation for Education for its quality and comprehensiveness in a formal letter closing the second grant. MDHE and UMC researchers are pleased that this report will serve as a valuable tool for institutions, researchers, students, and others in its analysis of financial need and aid distribution in the state. Finally, the report also suggests a number of other research and policy questions; MDHE staff has begun to analyze low-cost and doable action items in this area. Examples include: meeting with Missouri financial aid officers to report Lumina findings and learn about institutional initiatives to attract and retain non-traditional students and using ongoing data analysis contracts to research student financial aid debt load. The intent of such goals is to put the opportunity the Lumina grant has afforded into practice.

### **STATUTORY REFERENCE**

Section 173.050(2), RSMo, Statutory requirements regarding the CBHE's authority to receive and dispense external funds for educational programs

### **RECOMMENDED ACTION**

Assigned to Consent Calendar

### **ATTACHMENT**

Summary of Findings and Policy Implications, Access and Affordability 2007

## Summary of Findings and Policy Implications Access and Affordability 2007

Based on our analysis of available data, we are able to provide a brief summary of interesting and potentially actionable conclusions pertaining to the demographics and trends in FAFSA submission in Missouri (again, a proxy measure of financial need for enrolled students), demographics and distribution of financial aid in 2003-2004, and trend analyses across data provided for the 2004 and 2007 *Access and Affordability* studies. Further discussion of these notes and policy implications will follow at the conclusion of the report.

### *Who Fills Out a FAFSA?*

- Independent filers outnumber dependent filers in all three years studied, and are growing at a greater rate even in the 20-24 year age range.
- A markedly lower percentage of independent filers meet the April 1 FAFSA deadline for eligibility for state grants and scholarships. The majority of first-time freshmen have dependent status, and fewer than half of this cohort also met Missouri's April 1 filing deadline; however, 85 percent of first-time freshmen who met the April 1<sup>st</sup> deadline were dependent.
- The gender gap in FAFSA filings mirrors that in the overall student population, with more female than male students, but independent students are even more predominantly female than dependent applicants.
- 2/5ths of all FAFSA filers in Missouri would be classified as above the age of 24, or non-traditional students. In 2004-2005, while the majority of FAFSA applicants were under the age of 25, most of the growth in applications from the previous year occurred among older students. By 2004-2005, nearly 15 percent of first-time freshman FAFSA filers in Missouri were over the age of 30; the 25-35 age group is also growing at a faster rate than the traditional 19-and-under subgroup.
- Across all three years studied, applicants who definitively report that at least one parent attended (but did not necessarily complete) college or beyond are a minority of all filers. Even excluding those who respond "other/unknown" in reporting parents' educational status, 40 percent of 2004-2005 first-time freshman filers would be first-generation college students.
- Across all three years studied, the percentage of independent students who report adjusted gross family income under \$25,000 is more than double the corresponding percentage of dependent students.
- While African-American students fill out a FAFSA at a greater average rate than Missouri students in general, they enroll in public two- and four-year institutions at an average rate lower than Missouri students as a whole.

### *Key Elements of Financial Aid (2003-2004)*

- The major source of student financial aid is the federal government. While institutional financial aid is becoming more and more important in the student financial aid package, especially in non-need-based aid, the federal and state governments mainly target low-income students to provide need-based financial assistance.
- Loan aid exceeds gift aid across all income groups.

- Non-need-based gift aid (merit aid) increases in correlation with family income. Because the Bright Flight scholarship is awarded to students who score at or above 30 on the ACT (composite), this accounts for the majority of non-need-based aid awarded by the state.
- Students with less than \$50,000 in family income comprise 40 percent of all aided students and receive 73 percent of all need-based aid.
- More independent students receive need-based aid (96%) than do dependent students (65%); in addition, the average award is higher for independent than for dependent students. The junior and senior classes include the highest percentage of independent students.
- Caucasian students were 83 percent of total enrolled students and received 72 percent of total need-based gift aid dollars, while African-American students comprised 7 percent of total enrolled students and received 17 percent of total need-based gift aid dollars—and while just 2 percent of the total enrolled African-American students received any type of non-need based state aid, 10 percent of the total enrolled Caucasian students did.
- The junior class receives highest average award of federal need-based aid. Perhaps not surprisingly, the highest percentage of students (by class level) receiving non-need-based aid from all sources are freshmen.
- The type of aid awarded varies by the selectivity of an institution. The more selective institutions (e.g., Truman State University, the University of Missouri-Columbia) provide higher non-need-based aid to students than institutions of other selectivity categories. Non-highly-selective institutions award more student federal financial aid than the highly selective institutions. In addition, urban institutions in the study reported students receiving higher levels of need-based loan aid.

#### *Trends in Financial Aid*

- During the three comparison years, 1997-1998, 2000-2001, and 2003-2004, the absolute dollar amount of financial aid increased, but the gift aid and loan aid as a percentage of tuition and fees both decreased in later years. Only the total other aid increased substantially as a percentages of total tuition and fees.
- Loan and other aid are higher (as a percentage of tuition and fees) for the lowest and highest-income students than they are for middle income students in all three years studied. The same is true for gift aid in 1997-1998 and 2000-2001; in 2003-2004, gift aid is less for the top two subgroups (\$75,000 and over).
- Both the total and average amounts of need-based aid awarded to students with middle and upper family income increased at a higher rate than that awarded to students with lower family incomes from 2000-2001 to 2003-2004.
- Average total gift aid awarded to students with lower family incomes increased during the three comparison years: 1997-1998, 2000-2001, and 2003-2004. Total loan aid is increasing by a greater percentage for upper income than lower income students / families.
- Increases in income levels vary inversely with the percentage of students receiving need-based and directly with non-need-based aid increases, though with less dramatic differences among income subgroups in the latter.
- The freshmen class received larger increases of both average non-need-based aid and loan aid than students of other class levels.

- The percentage of students receiving need or non-need-based aid decreased for students at most class levels during the three comparison years of the study. Only the junior class recorded increases, and only then comparing the 1997-1998 to 2000-2001 years.

### *Policy Implications*

The 2007 Access and Affordability report suggest a range of policy implications and potential initiatives which could serve to strengthen participation in financial aid, as well as its impact on student persistence and completion. These policy implications could involve the review, coordination, and leadership of several entities, including the State Student Financial Aid Task Force, charged as a standing advisory committee of the Coordinating Board in June 2006. The Task Force is comprised of members from all major educational sectors of Missouri higher education, as well as Office of the Governor, the Missouri Senate and House of Representatives, the Missouri Higher Education Loan Authority (MOHELA), and MDHE staff. Potential areas of focus for the Task Force and other relevant stakeholders include:

1. All major providers of financial aid should continue to develop strategies to market to and otherwise better accommodate independent, non-traditional, and first-generation students. This might additionally suggest further collaborative work among the Coordinating Board, MDHE staff, and institutional admissions staff to further educate students who might not otherwise be aware of available aid opportunities and the processes required to access them.
2. Early financial aid application dates, e.g. the April 1 date in Missouri, continued to serve as an obstacle to many otherwise eligible students. All providers should continue to research potential obstacles to students and evaluate eligibility requirements to ensure that the greatest percentage of eligible students is served, especially by need-based aid, including those students who enroll and apply near and during the fall term.
3. Data would indicate an increase in FAFSA application rates among African-American students; however the comparative percentage of enrolled students has recently decreased. Additional marketing or outreach initiatives could increase the number and percentage of African-American FAFSA filers who proceed to enroll in postsecondary education.
4. Institutions provide more student financial aid to freshmen than to students of other class levels; additional study may be appropriate to determine whether this is a contributing factor or an after-effect of issues in student retention.
5. Compared with federal and institutional aid, state financial aid is decreasing in proportion to student financial aid packages, both in terms of the percentage of students receiving aid and the total dollar amount. The new proposed single need-based aid program, Access Missouri, as well as projected increases in state appropriations dedicated to financial aid, should increase both the number of students eligible for aid and the average amount awarded to eligible students.
6. While the federal and state governments provide the most need-based financial aid, institutions award most non-need-based aid for a variety reasons: rewarding academic merit, encouraging greater geographic and racial/ethnic diversity, and supporting participation in intercollegiate athletics. Seventy-one percent of students who had not filed a FAFSA received some form of non-need-based institutional aid. Requiring

FAFSA submissions in connection with non-need-based aid would strengthen further analysis of these students, as well as potentially identify additional students who might be eligible for need-based aid.

7. Missouri's statewide college savings plan, Missouri Saving for Tuition (MOST), provides tax deductions for participating students and families. The state of Missouri and all other relevant stakeholders can continue to explore all means of encouraging college savings, as well as identifying the ways in which existing policies might serve as implicit *disincentives*.
8. Students at all income levels receive more loan aid than gift aid; this is especially true for students from higher income families. Accumulated debt is major concern for students and their families, and institutions and the MDHE should explore processes for better tracking loan debt upon exit across all aid sources and across the state's colleges and universities.

As we noted in 2004, Missouri continues to be projected as a low- or no-growth state in terms of the number of high school graduates over the next decade, especially from the public high schools. In order to continue growth as a sector, Missouri's policymakers, institutions, and other interested stakeholders must continue to work creatively to expand the numerator(s) in postsecondary enrollment and success, because the denominator is not expected to change.

## **AGENDA ITEM SUMMARY**

### **AGENDA ITEM**

METS Coalition Update  
Coordinating Board for Higher Education  
June 14, 2007

### **DESCRIPTION**

A major priority of Governor Matt Blunt's administration is business and education partnerships with a focus on mathematics, engineering, technology, and science (METS) disciplines. The intent of this item is to provide the board with an update recent METS Coalition activities, as well as upcoming events planned.

#### **Background**

The Governor's Math Science Summit in April 2006 provided a focused forum for business, K-12, and higher education leadership to discuss opportunities and strategies for stronger emphasis on METS development in Missouri, both in student preparation and economic development. As a follow-up to the Summit, the METS Coalition was formed to develop recommendations and an action plan for the state. To insure the continued promotion of METS fields in education and business, the Coalition is transitioning to a non-profit organization. A full description of Coalition goals and objectives can be found at: [www.missourimets.com](http://www.missourimets.com).

#### **METS Coalition Organizational Status**

Anne Zerr continues as Interim Executive Director of the METS Coalition through time donated by her employer, the St. Charles-based non-profit organization Partners for Progress. Ms. Zerr is lending her experience and expertise to build organizational and funding capacity, as well as her administrative management skills. As agreed to originally, her initial three-month position will be evaluated at the June METS Coalition meeting to consider continued partnership.

Ms. Zerr has been particularly active in developing draft versions of the 501 (c) (3) documents as well as the METS Coalition By-Laws. Coalition members have provided comments and feedback for revision, and it is expected that final versions of these documents will soon be ready for adoption by the organization.

#### **National Governors Association Funding Opportunity**

The METS Coalition, in partnership with the Office of the Governor, has submitted a proposal for a grant from the National Governors Association to fund STEM Centers and promote METS fields in Missouri. The work in developing this proposal included extensive cooperation and support from the Missouri Department of Higher Education, the Missouri Department of Economic Development,

Coordinating Board for Higher Education  
June 14, 2007

the Missouri Department of Elementary and Secondary Education, and Missouri business and industry.

The grant proposal was skillfully integrated with the METS goals presented to Governor Blunt last year and includes a comprehensive analysis of the state of Missouri's METS educational system. The maximum award of \$500,000 is being sought to improve performance and better coordinate efforts across the state through: aligning curriculum between K-12 and higher education; improving the quality of METS teachers; developing regional METS centers; and linking efforts in education and business with industry growth clusters. Awards will be announced by the National Governors Association in July 2007. The body of the grant proposal can be found in the attachment.

### **Progress on METS Strategies**

Tasks integral to achievement of the METS recommendations continue to make progress. The first tasks revolve around Strategy 1, Recommendation 1: Improving METS curricula and assessments. The Department of Elementary and Secondary Education (DESE) has completed initial meetings to revise Grade Level Expectations (GLE) as part of their plan to move to end-of-course exams. Higher education was represented by faculty experts at all the GLE revision meetings. The mathematics work is also moving forward to use national curriculum experts to align Missouri mathematics GLEs with National Science Foundation (NSF) standards, funded through an NSF grant at Washington University and with the involvement of DESE.

Work also continues to facilitate Strategy 1, Recommendation 2: postsecondary curriculum alignment. MDHE is moving forward with its curriculum alignment initiative, both to further METS education and as a part of legislation mandated in SB 389. Preparations are underway to hold meetings with the seven discipline-based workgroups; these groups are charged with developing the entry- and exit-level competencies for each core collegiate course in their discipline. Each of the workgroups will also choose representatives to serve on the Curriculum Alignment Steering Committee. The initial meeting of the Steering Committee has tentatively been set for September.

Additionally, in pursuit of Strategy 3: Expand the pool of quality P-12 METS teachers, approximately thirty teachers with expertise and interest in math and science education met at a METS planning retreat in early May. From this group, formation of a Teacher Leader Corps for Professional Development is underway utilizing the "train the trainer" model. The intent is for these model teachers to take knowledge and skills back to their local school districts.

Strategy 4, Recommendation 3: Adopt the eMINTS instructional model, has been successful in securing funding through the legislature for 100 new eMINTS classrooms in Missouri. The classrooms will be available to all schools through a competitive grant program.

A full outline of the METS Coalition's strategies and recommendations can be found at: [www.missourimets.com](http://www.missourimets.com).

### **2007 METS Summit**

The METS Coalition will hold the 2<sup>nd</sup> METS Summit, scheduled for October 4<sup>th</sup>, 2007, at the Capital Plaza Hotel in Jefferson City, to report on the progress made on goals set last year. Discussion among members has emphasized the importance of the Summit as an opportunity to share the tremendous progress that has been made in METS education and business partnerships and development, as well as a chance to broaden the base of support for the organization and its goals. The 2007 METS Summit Planning Committee, which includes Commissioner Stein and MDHE staff, will meet in the coming weeks to draft an agenda and plan logistics.

### **Conclusion**

The Missouri Department of Higher Education will continue to work with the METS Coalition and through other initiatives to strengthen student preparation in METS and to increase collaboration with P-20 partners in both education and industry.

### **STATUTORY REFERENCE**

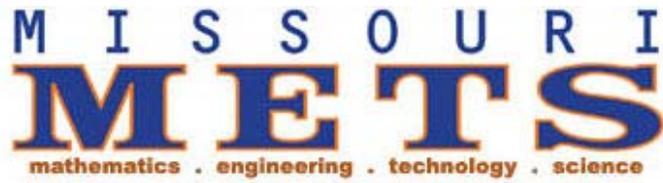
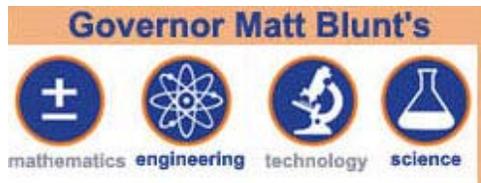
Section 160.730, RSMo, Coordination of P-20 educational activities  
Sections 173.005.2(1), 173.005.2(2), 173.005.2(8), 173.020, and 173.030, RSMo, CBHE  
responsibility for data collection and recommendations about academic programs

### **RECOMMENDED ACTION**

Assigned to the Consent Calendar

### **ATTACHMENT**

METS Coalition NGA Grant Proposal



## NGA STEM CENTER GRANT PROGRAM

**Contact:** Mary Beth Luna Wolf, Education Policy Analyst  
Office of Governor Matt Blunt  
Missouri State Capitol - Room 216  
Jefferson City, MO 65101  
(573) 751-5426  
marybeth.luna@mo.gov

**METS Team Leader:** Debra Hollingsworth

**Fiscal Agent:** Missouri Chamber of Commerce and Industry Education  
Foundation for the Missouri METS Coalition

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*“We have let the status quo persist for too long and have allowed an entire generation of young people to graduate from high school-many of them unprepared through their education to be successful members of the workforce they enter-let alone the workforce of the future.”* Governor Matt Blunt, April 2006

## A. INTRODUCTION

The importance of mathematics, engineering, technology and science (METS) to the future well-being of Missouri was firmly established at the METS Summit held April 25, 2006. At this summit, Governor Matt Blunt called 180 business, philanthropic, education, and government leaders from across the state to raise awareness and to recognize the challenges Missouri will face if more students are not prepared for careers that require knowledge and skills in METS.

As a result, Governor Blunt appointed a task force charged with developing a strategic focus and action plan. The Task Force presented recommendations to the Governor in 09/06 and since has developed the structures and framework (by-laws and 501c3 application) for a METS Coalition that will serve as a statewide advocacy and coordinating organization.

In addition, Coalition members developed policy priorities and prepared a communication plan that included a website ([www.missourimets.com](http://www.missourimets.com)). In addition they distributed materials (data book, DVD, etc.), and presented to over thirty stakeholder groups. All of this in just a year by a committed group of volunteers! The opportunity to participate in the NGA STEM Centers grant program will allow the Coalition to formalize future work and ultimately create a powerful future for Missouri citizens.

## B. TEAM LEADERSHIP AND MEMBERSHIP

The METS Coalition Design Team is comprised of business, education, philanthropic, and government leaders. The Design Team is poised to move the nascent Missouri METS education agenda to support Missouri’s innovation capacity. Under the leadership of Governor Matt Blunt, the Design Team includes:

Name	Position/Title
Debra Hollingsworth	<i>Leader, Design Team</i> ; Vice President – External Affairs, AT&T
Mary Beth Luna Wolf	Education Policy, Office of the Governor
Gregory Steinhoff	Director, MO Dept of Economic Dev; Chief Economic Dev Advisor to Gov Matt Blunt
Representative Kathlyn Fares	MO House of Representatives (D); Committee on Higher Education; Chairman, Education Appropriations Committee
Senator Chris Koster	MO State Senate (R); Vice-Chair, Economic Dev, Tourism & Local Gov’t Comm.
Kent King	Commissioner, Department of Elementary & Secondary Education
Robert Stein	Associate Commissioner, MO Department of Higher Education
Roger Beechy	President, Donald Danforth Plant Science Center, St. Louis
Peter Herschend	Vice-Chair, Herschend Family Entertainment Corp; President, MO State Board of Ed
Kathy Swan	President, JCS/Tel-Link; Chair, Coordinating Board for Higher Education
Robin Krause	School Board Member, Knob Noster School District
Thomas Hoenig	President, Federal Reserve Bank - Kansas City Region
Lowell Kruse	President & CEO, Heartland Health Corporation, St. Joseph
Thomas McDonnell	President and CEO, DST Systems, Inc.
Dan Mehan	President and CEO, Missouri Chamber of Commerce and Industry
Nicole Riegel	Program Manager, Kansas City Area Life Sciences Institute
Carol Valenta	Vice President, St. Louis Science Center
James Young	Vice President of Engineering, The Boeing Company
Margo Quiriconi	Director of Research and Policy, Ewing Marion Kauffman Foundation
Jewel Scott	Executive Director, Civic Council of Greater Kansas City
Ashok Agrawal	Dean, Math, Science, Engineering and Technology; St. Louis Community College
Russell Grammer	Science Teacher, Jefferson Elementary School; Cape Girardeau
Victoria May	Director of Science Outreach, Washington University at St. Louis

### C. GOALS OF MISSOURI'S METS EDUCATION AGENDA

The goals of the Missouri METS education agenda as developed by the Coalition:

GOAL 1:	Improve the performance of all P-20 students.
GOAL 2:	Expand the pool of students motivated to pursue METS careers.
GOAL 3:	Expand the pool of Missouri's quality P-20 METS educators.
GOAL 4:	Establish a technology plan to support METS education.
GOAL 5:	Increase public awareness of the value of METS knowledge on the lives of all Missourians and highlight the importance of METS-related industries and jobs to enhance Missouri's global competitiveness and innovation.

The STEM Center grant activities, indicators and benchmarks, and their relationship to these goals are articulated in **Section E**.

### D. STRUCTURE

The NGA STEM Center grant will support the newly formed Missouri METS Coalition. The Coalition is the lead Missouri organization to coordinate, implement, and advocate for policy improvements, specific programs and initiatives, and measurement of accomplishments. The Coalition succeeded over the past year in developing a powerful agenda that has the buy-in and attention of regional stakeholders. The Coalition work addresses Missouri's greatest challenges and gaps to improving student opportunity and performance in METS. The goals, objectives, and actions steps of this agenda tackle the following gaps identified in **Attachment A**:

Missouri data mirrors U.S. statistics which indicate that students (especially low-income and minority), specifically in middle and high school, are under-performing in METS areas compared to their peers in other developed countries. (p. 22) Missouri's colleges and universities are not graduating sufficient numbers of students with METS degrees. (p. 12).

In examining the reasons for student under-performance, the METS Coalition determined that the mathematics and science curriculum, GLEs and assessments do not meet the internationally benchmarked levels of quality and do not allow for the level of inquiry-based learning necessary to provide students with a knowledge base to compete on a global basis (p. 43). METS college-level entry requirements are not articulated so that curriculum can be aligned across the higher education system (p. 28, p. 40).

As Missouri continues to move toward leveraging its biotechnology, plant, and animal science assets to create new business enterprises and to support, strengthen, and advance its well-established advanced manufacturing base there will be increasing demand for a technically-competent METS workforce. Expanding the pool of students motivated to pursue METS careers is critical to provide the necessary, highly trained workforce (p. 45 and **Attachment E**).

Missouri faces a shortage of METS educators (p. 30, p. 51). Addressing this challenge will require a cooperative effort among the state, higher education, school districts, and businesses resulting in strategies to ensure that new and practicing educators are equipped to meet the needs for a high-quality METS workforce.

Missouri does not require teachers to meet any type of technology standards. Missouri curriculum standards for students include technology skills but these skills are not assessed. Missouri has no plan or funding mechanism to regularly update technology in schools (p. 56).

## **E. OBJECTIVES AND ACTIVITIES FOR STEM CENTER GRANT FOCUS**

**Objective 1:** *Align K-12 STEM education requirements and outputs with postsecondary and workplace expectations for STEM competencies of entering students and employees.*

### *Activities:*

- 1a. Identify rigorous internationally recognized research-based K-12 METS curricula that align with the standards, grade level expectations (GLEs), and assessments.
- 1b. Revise/develop METS K-12 standards, GLEs, and assessments.
- 1c. Align secondary course expectations with post-secondary expectations.
- 1d. Develop state-level policy guidelines for entry-level, collegiate METS curricula and related assessments.
- 1e. Align post-secondary student exit performance measures with economic workforce career cluster demands.
- 1f. Identify necessary policy, communication and funding needs to implement the work.

### *Indicators:*

- METS curriculum documents that provide a curricula menu aligned with national STEM framework documents (i.e., AAAS Atlas, TIMSS) from which GLEs and assessments can be written and/or adopted.
- Standards, GLEs, and assessments aligned with the identified METS curricula.
- Course expectations that inform end-of-course assessments, entry-level collegiate expectations, and are aligned with economic workforce career cluster demands.
- A METS support system that integrates curriculum, professional development, assessment and materials while leveraging existing and proposed regional resources including state and federal funds.

**Objective 2:** *Improve the quality of STEM teachers and the ability of school and district leaders to lead STEM education reform.*

### *Activities:*

- 2a. Develop a statewide plan that builds the pipeline, attracts and retains quality mathematics and science teachers. Plan will recommend changes to existing pre-service requirements, options for alternative certification, an adjunct teacher corps, continuing education requirements, financial incentives, and other related issues.
- 2b. Convene statewide METS Professional Development Advisory Council (PDAC) to create coordinated and aligned METS professional development opportunities.
- 2c. Create a planning process for that creates school and district level models for integrating curriculum, professional development, assessment, materials support, etc.
- 2d. Develop METS Educator of the Year awards.
- 2e. Identify necessary policy, communication, and funding needs to implement the work.

### *Indicators:*

- Existence of specific strategies to improve the quality and availability of METS teachers
- Development of a METS professional development that includes the expansion and coordination of key programs (public and private).
- Realigned state and federal funds to resource the METS support system.
- Criteria established for METS Educator of the Year award(s).

**Objective 3:** *Develop a public-private partnership in three regions of the state to redesign a region's K-20 STEM education system to support the regional economy's innovation capacity.*

*Activities:*

- 3a. Host a Governor's METS Summit to identify progress since 04/06 summit, identify priority issues, and announce the statewide strategic plan.
- 3b. Identify regional stakeholders (targeted in three economic cluster areas- life sciences and animal health- Kansas City Western region; biotechnology (south central/western region- Springfield; and plant and life sciences- St. Louis Eastern region and conduct regional summits that will examine regional student performance indicators, career pathways, and economic implications, regional, and state-level resources and programs and gaps and needs.
- 3c. Support regional partnerships in the development of systemic strategic implementation plans for schools and districts to reform METS education.
- 3d. Identify necessary policy, communication and funding needs to implement the work.

*Indicators:*

- Progress report presented at second Governor's METS Summit in 10/07.
- Three regional planning meetings (in the targeted economic cluster areas) that examine the needs, identify resources, and develop solutions to improving the quality of METS teachers and school and district leaders to lead METS education reform.
- Regional systemic implementation plans that create school and district level METS implementation systems.
- Realigned state and federal funds to resource the METS support system.
- Introduction appropriate public policy to support the regional priorities.

*Benchmarks:*

Implementation of the plan should manifest in improvement in the following indicators that will include but not be limited to those in the chart below. Indicators will be monitored over time and disaggregated by regions, race, and income:

<i>Investment in Education</i>	Increased MO revenues for public K- 20 METS education
	Realigned federal/state funds consistent with METS Education Agenda
<i>Demographics</i>	MO HS graduates by race/ethnicity and their graduation rates
	Estimated growth in MO HS and post-secondary graduates from low income families
<i>Student Achievement</i>	Number of students taking higher-level math courses beyond Algebra 1.
	Math and Science MAP percentage of students scoring proficient or advanced
	Number of students taking higher-level science courses (by lab science and number of courses)
	Number of students taking pre-engineering courses
<i>Post-Secondary</i>	ACT average composite math and science scores
	ACT-tested HS graduates meeting college readiness benchmarks
	Juniors and seniors taking AP exams, MO vs. Nation
	Percent of first-time college freshmen enrolled in remedial classes
<i>Teachers</i>	Number of first-year college students indicating a preference for study in METS areas
	Number of METS teachers annually produced by teacher preparation programs
	Number of K-12 teachers receiving certification in METS content areas

## F. TWO YEAR WORK PLAN

Two Year Work Plan – Part A					
Activity	Relationship To:		Policy Changes	Building Public Support	Budget
	METS Coalition Goal	Building a STEM Agenda			
1a	Goal 1	Recommendation 1		Report dissemination	\$30,000
1b	Goal 1	Recommendation 1	Legislation/Regulatory Change	Publish recommendations	\$10,000
1c	Goal 1	Recommendation 1	Regulatory Change	Set up stakeholder meetings	\$10,000
1d	Goal 1	Recommendation 1	Legislation	Op-eds, report dissemination	\$30,000
1e	Goal 1	Recommendation 1	Legislation	Op-eds, report dissemination	\$10,000
1f	Goal 1	Recommendation 1		Outreach to policymakers and community groups	\$0
2a	Goal 3	Recommendation 2	Regulatory Change	Outreach to teacher groups, op-eds, press releases	\$32,000
2b	Goal 3	Recommendation 2		PDAC Council Outreach	\$32,000
2c	Goal 3	Recommendation 2		Community meetings, Press Releases	\$105,000
2d	Goal 3	Recommendation 2		Outreach to policymakers and community groups	\$0
3a	Goal 5	Recommendation 3	Develop Legislative Priorities	Initiative Summary Press Conferences	\$50,000
3b	Goals 1, 2, 5	Recommendation 3	Develop Legislative Priorities	Website, Regional Advocates	\$56,000
3c	Goals 1,2, 5	Recommendation 3	Local/City State Priorities	News materials; Community Engagement Sessions	\$135,00
3d	Goals 1, 5	Recommendation 3		Outreach to policymakers and community groups	\$0

**Two Year Work Plan – Part B**

		Implementation Timeline																								
Objectives and Activities		Person/Group Responsible	Year 1												Year 2											
			AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL
<i>Objective 1: K-12 STEM Education Alignment</i>																										
	1a	DESE/METS	■																							
	1b	DESE/METS													■											
	1c	DHE/DESE/P-20				■	■																			
	1d	P-20				■	■																			
	1e	P-20/METS								■																
	1f	METS Coalition	■	■																						
<i>Objective 2: Improve the quality of STEM teachers and the ability of school and district leaders to lead STEM education reform.</i>																										
	2a	DESE/METS																								
	2b	DESE/METS	■	■																						
	2c	METS Coalition								■	■															
	2d	METS Coalition									■	■														
	2e	METS Coalition	■	■																						
<i>Objective 3: Develop a public-private partnership in three regions of the state to redesign a region's K-20 STEM education system to support the regional economy's Innovation capacity.</i>																										
	3a	METS Coalition	■	■																						
	3b	METS Coalition				■	■																			
	3c	METS Coalition	■	■																						
	3d	METS Coalition	■	■																						

METS Coalition members will attend NGA Communication Seminar in October 2007

## **G. CONNECTIONS BETWEEN STEM CENTER GRANT AND OTHER STATE ACTIVITIES**

Missouri has a wealth of publicly and privately funded METS-related activities across the state. Unfortunately, many of these activities do not reach all regions and all students. Important to mention are the National Science Foundation funded projects in the St. Louis, southwest and northwest regions of the state. These projects work to improve the METS knowledge and capacity of teachers, schools and districts. State funded programs include support for Physics First programs, regional math and science teaching resources and specialized professional development mathematics and science academies for K-12 teachers.

Robust public/private partnerships exist across the state to support Project Lead the Way and the FIRST Robotics programs. Missouri is one of the fastest growing sites for these programs that are supported by local industries and major corporations, engineering firms, DESE, and philanthropy. These programs are important as they increase the interest, knowledge and skills of students in the METS-related fields and encourage greater numbers of students to pursue careers in these field and to take higher level math and science courses. Connected to this work is *One KC WIRED*, funded by the U.S. Department of Labor, to drive significant change in workforce areas of advanced manufacturing, health care, and biotechnology. The K-12 agenda of WIRED includes supporting the KC Science Initiative (also supported by Bayer Corp.), PLTW, PREP-KC (also supported by Gates and other local foundations to develop small learning communities and small schools) and Internships (for students and teachers in local economic growth industries).

Philanthropic and corporate investments in METS related programs and initiatives support a diverse spectrum of programs and research. The Monsanto Corporation funded the MYSCI program in the St. Louis region in partnership with the St. Louis Science Center. This program takes inquiry-based science curricula to elementary students across the St. Louis metropolitan area. The model could potentially be implemented in regions across the state. Two years ago the Ewing Marion Kauffman Foundation initiated a 10 year agenda to improve the mathematics and science achievement of students in the Kansas City metropolitan area (includes Kansas and Missouri). This multi-focal agenda supports a number of district-level, teacher, student and community-level interventions ([www.kauffman.org](http://www.kauffman.org)). Importantly, the Foundation has supported the replication of Public Agenda's study, "Are Parents and Students Ready for More Math and Science" for the state of Missouri (results available 09/07) and the development of METS Community Engagement materials and programs which will be piloted in Missouri districts in 07 and 08. In addition, the Foundation has supported AAAS and the National School Boards Association to develop a training program for school board on key issues in science. Missouri School Board members will participate in this program beginning June 2007.

The Missouri General Assembly recently passed a budget that significantly increases funding for METS related activities: \$2.9 million increase to expand eMints which will provide technology resources to additional classrooms; \$1.5 million for afterschool program expansion in the areas of math and science; and \$250,000 increase to assist students who take Advanced Placement tests in math and science. This agenda was part of the recommendations made by the METS Coalition. In addition, MOHELA (the higher education loan agency) has recently announced that they have developed loan-forgiveness programs for students pursuing careers in math and science teaching and engineering at state institutions.

The P-20 Council was established in 2006 to reduce gaps between primary, secondary, college, graduate school and the workforce, calling for regular coordination among the state's lead agencies. Governor Blunt challenged the group to first address METS education.

## **H. GOVERNANCE STRUCTURE**

The METS Coalition will serve as the lead organization for this grant program. The Missouri Chamber of Commerce's Education Foundation will serve as the fiscal agent for the grant until the Coalition's 501c3 is awarded. The Coalition's offices will be located in Jefferson City, Missouri. Members of the Design Team are located across the state and meet monthly in Jefferson City and on a more frequent basis via teleconferencing. The Design Team is led by a business leader and has representation from the Governor's office, lead agencies, philanthropies, organizations and businesses across the state. The Design Team will develop an operations committee specific to this grant and subcommittees for each objective. Representatives on the P-20 Council also serve on the Design Team. The Council will have updates on the work at each of their meetings. The operations committee will also be responsible for providing bi-monthly progress updates to the Governor. Members of the Design Team will also hold membership on the Coalition's Board of Directors. The Coalition's Board of Directors will receive bi-monthly updates on the grant's progress. Coalition Members will receive on-going updates and have access to the grant progress through the website.

The METS Coalition has worked together over the past year. The preparation of this grant was not the work of a few, but of the entire group. There is significant buy-in on the part of the individuals, the agencies and the organizations to make this a success.

## **I. READINESS FOR CHANGE**

Recently, two national education policy consultants spent three days in Missouri interviewing education and business leaders. The purpose of their visit was to discuss key education issues. At the end of their visit, they reported that no matter who they were with or where they were in the state, everyone spoke of the METS issue and their commitment to change. This is not surprising given the past year. Governor Blunt's consistent, powerful messages and actions served as guideposts. Press conferences, local editorials, the legislative session and presentations/discussions at local and regional meetings have all echoed and reinforced that this is the time to make change in Missouri.

The powerful collection of industry, research and business leadership girds this movement. Missouri has a strong contingent of the leading institutions and industries in the METS field (selected list and see **Attachment E** for additional efforts): Emerson Electronics, the Cerner Corporation, Boeing, DST Systems, the Monsanto Corporation; three of the top Engineering Firms in the nation; research institutions such as Washington University in St. Louis and the Stowers Institute in Kansas City; and an animal sciences research corporation. These organizations are the drivers of innovation in Missouri as well as the nation and are dependent on a strong workforce, a workforce competent and confident in the METS knowledge and skills.

This will be no easy task, but never before have so many been involved and see the potential for an education-related initiative in this state. The pieces are all in place for Missouri to take the next step forward.

## **J. BUDGET**

The budget, budget narrative, and budget aligned with objectives and activities for this grant is available in **Attachment B**.

## **K. ADDITIONAL CONSIDERATIONS**

### **1. NGA Involvement**

The state of Missouri is currently in good-standing with NGA. Governor Blunt serves on the NGA Chair, Janet Napolitano's **Innovation America Initiative**.

## **2. Non-Negotiables**

- NGA Graduation Rate Compact: Missouri has signed and will implement the Compact.
- National Education Data Partnership: **Attachment A** (pp. 50-51) outlines Missouri's work in this area.
- Communications Plan: As a part of Goal 4 of the Missouri METS Agenda, the Coalition has developed a draft Communications Plan. (See **Attachment D**) This plan will be finalized after participation in an NGA-sponsored workshop. In addition, the Coalition will incorporate the survey data from Public Agenda's study of math and science attitudes and perspectives in the state of Missouri (funded by the Kauffman Foundation). The education of Missouri citizenry in the areas of METS is important on many different levels. First, METS-based industry and businesses improve lifestyles through careers and job opportunities that provide higher incomes. Second, METS education ensures that Missourians have the knowledge and skills necessary to compete in the global economy. Finally, METS-related industries stimulate the creation of new knowledge; allowing Missourians to be leaders in innovation, especially in the areas of plant, animal and life sciences, advanced manufacturing and information technologies. Therefore it is important that Missouri's citizens, parents, educators, and businesses are engaged and advocate for changes that will improve METS educational opportunities for all students and our workforce.
- P-20 Council: Missouri's new P-20 Council is an integral part of this work and is charged by the Governor to make METS a priority.
- Performance Goals: The METS Coalition will work to establish 10-year performance goals.
- Public Reporting: The METS Coalition will publicly report objectives and the baseline/improvement data at annual statewide and regional summits, through their web site, and in the update of the data book.

## **AGENDA ITEM SUMMARY**

### **AGENDA ITEM**

Proprietary School Certification Actions and Reviews  
Coordinating Board for Higher Education  
June 14, 2007

### **DESCRIPTION**

All program actions that have occurred since the April 12, 2007, Coordinating Board meeting are reported in this consent item. In addition, the report includes information concerning anticipated actions on applications to establish new postsecondary education institutions and exemptions from the department's certification requirements.

### **STATUTORY REFERENCE**

Sections 173.600 through 173.618, RSMo, Regulation of Proprietary Schools

### **RECOMMENDED ACTION**

Assigned to Consent Calendar

### **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)***

Central Missouri Dental Assisting  
Warrensburg, Missouri

This is a for-profit school offering one non-degree program in dental assisting. The 10 week, 80 contact hour program is offered through a weekend format with the entire program taught in a dental office environment. It is designed to “equip each student with the basic skills necessary to enter the dental assisting workplace and begin to gather experience.” This school is not accredited.

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

None

#### ***Applications Pending Approval (Authorization Only to Recruit Students)***

None

#### ***Applications Pending Approval (Annual Recertification)***

The following is a listing of schools that are certified to operate by the Coordinating Board for Higher Education for the 2006-2007 certification year, which ends June 30, 2007. The listed schools have submitted applications for recertification and those applications are under review by the Proprietary School Certification Program staff. Pending satisfactory response to the staff review, it is expected that all listed schools will receive a certificate of approval for the 2007-2008 certification year, beginning on July 1, 2007.

#### *Authorization for Instructional Delivery*

A Gathering Place-Wellness Ed. Center  
Adlard School of Dental Assisting  
Advanced Dental Careers\*  
Allied College\*  
American College of Technology#  
American Trade School  
American Truck Training

Maryland Heights, MO  
Independence, MO  
Ballwin, MO  
Maryland Heights, MO  
Saint Joseph, MO  
Overland, MO  
Kansas City, MO

American Woodworking Academy	Fenton, MO
Aviation Institute of Maintenance	Kansas City, MO
Baker University**	Florissant, MO
Baker University**	Lathrop, MO
Baker University**	Lee's Summit, MO
Baker University**	Peculiar, MO
Baker University**	Platte City, MO
Baker University**	St. Joseph, MO
Barbizon School of Clayton	Clayton, MO
Bellevue University**	Kansas City, MO
Broadcast Center	St. Louis, MO
Brunswick School of Auctioneering#	Salisbury, MO
Bryan College	Springfield, MO
C-1 Truck Driver Training	Strafford, MO
C-1 Truck Driver Training	St. Louis, MO
Career Alternatives Learning Center	Bridgeton, MO
Cherry Hill Dental Program of Dental Assisting	Columbia, MO
Colorado Technical University**	North Kansas City, MO
ComSkill Learning Center of Kansas City	Kansas City, MO
Concorde Career College	Kansas City, MO
Court Reporting Academy	Smithville, MO
Daruby School*	St. Louis, MO
DeVry University**	Kansas City, MO
DeVry University-Downtown**	Kansas City, MO
DeVry University-Downtown**	St. Louis, MO
DeVry University-West County**	St. Louis, MO
Drake University**	Kansas City, MO
Elements of Wellness School of Massage	St. Louis, MO
Everest College**	Earth City, MO
Everest College	Springfield, MO
Foley-Belsaw Institute#	Kansas City, MO
Global University#	Springfield, MO
Graceland University**	Independence, MO
Graceland University**	Trenton, MO
Grantham University#	Kansas City, MO
H & R Block Eastern Tax Service*	Kansas City, MO
Heartland Horseshoeing School	Lamar, MO
Heritage College**	Kansas City, MO
Hickey College	St. Louis, MO
High Tech Institute**	Kansas City, MO
Hi-Tech Charities	St. Louis, MO
IHM Health Studies Center	St. Louis, MO
Image Body and Beauty Institute	St. Joseph, MO
Indian Hills Community College**	Unionville, MO
International Institute of Metro St. Louis	St. Louis, MO
International School of Professional Bartending	Kansas City, MO

International Sommelier Guild**	St. Louis, MO
ITT Technical Institute**	Arnold, MO
ITT Technical Institute	Earth City, MO
ITT Technical Institute**	Kansas City, MO
Jackson Hewitt Tax School	Independence, MO
John Robert Powers International	St. Louis, MO
John Thomas College of Naturopathic Medicine	St. Charles, MO
Kansas City Center/Montessori Education	Kansas City, MO
Lake Area Dental Assisting School	Hermitage, MO
Laurel Institute for Dental Assistants	St. Peters, MO
L'Ecole Culinaire	St. Louis, MO
Lesley University**	Blue Springs, MO
Lesley University**	Columbia, MO
Lesley University**	N Kansas City, MO
Lesley University**	St. Louis, MO
Malone College**	Kansas City, MO
Massage Therapy Institute of Missouri	Columbia, MO
Massage Therapy Training Institute	Kansas City, MO
MERS/Missouri Goodwill Industries*	St. Louis, MO
Metro Business College*	Cape Girardeau, MO
Mid-America Dental Careers	Columbia, MO
MidAmerica Nazarene University	Kansas City, MO
Mid-West Dental Assistant School	Claycomb, MO
Midwest Institute*	Kirkwood, MO
Midwest Institute of Natural Healing	Kansas City, MO
Midwestern Training Center	Hazelwood, MO
Missouri Auction School	Grandview, MO
Missouri College	St. Louis, MO
Missouri School of Dog Grooming	St. Louis, MO
Missouri Taxidermy Institute	Linn Creek, MO
Missouri Tech	St. Louis, MO
Missouri Welding Institute	Nevada, MO
Montessori Training Center of St. Louis	St. Louis, MO
MVC Computer & Business School	Arnold, MO
National American University**	Independence, MO
New Horizons Computer Learning Center	St. Louis, MO
New Horizons Computer Learning Center	Springfield, MO
NOVA Southeastern University**	Kansas City, MO
NOVA Southeastern University**	St. Louis, MO
Nutrition Institute of America#	Kansas City, MO
Nu-Way Truck Driver Training Centers	St. Louis, MO
Olivet Nazarene University**/#	Bourbonnais, IL
On-Line Training Center	Ferguson, MO
Orler School of Massage Therapy Technology	Joplin, MO
Ottawa University**	Lee's Summit, MO
Patricia Stevens College	St. Louis, MO

Petropolis Academy of Grooming & Training	Chesterfield, MO
Pinnacle Career Institute	Kansas City, MO
Pittsburg State University**	Pittsburg, KS
Premier Knowledge Solutions	St. Louis, MO
Professional Massage Training Center	Springfield, MO
Rescue College#	N. Kansas City, MO
Sanford-Brown College*	Fenton, MO
School of Massage Arts	Nixa, MO
Security Training Center, Inc.	St. Louis, MO
Show Me The Road Truck Driving School	Sikeston, MO
Skyline Aeronautics	Chesterfield, MO
Southern Illinois University**	St. Louis, MO
Southern Illinois University**	Arnold, MO
Southern Missouri Truck Driving School	Malden, MO
St. Charles Flying Service	St. Charles, MO
St. Charles School of Massage Therapy	St. Charles, MO
St. Louis College of Health Careers*	St. Louis, MO
Stoddard County Career Learning Center	Dexter, MO
Susanna Wesley Family Learning Center	East Prairie, MO
Swift Driving Academy	Kansas City, MO
TechSkills	St. Louis, MO
The Bartending Institute	St. Louis, MO
The Ding King Training Institute**	Springfield, MO
The Healing Arts Center	Maplewood, MO
The Tom Rose School	High Ridge, MO
Travel Career Academy	Springfield, MO
University of Mary**	Kansas City, MO
University of Phoenix**	Kansas City, MO
University of Phoenix**	Springfield, MO
University of Phoenix**	Des Peres, MO
Urban League Business Training Center	St. Louis, MO
Vatterott College*	St. Ann, MO
Vatterott College**	St. Joseph, MO
W.T.I. Joplin Campus**	Joplin, MO
Witte Truck Driving School	Troy, MO

Authorization Only to Recruit Students

At-Home Professions#	Fort Collins, CO
DeVry University	Phoenix, AZ
High-Tech Institute	Phoenix, AZ
Lincoln College of Technology*	Indianapolis, IN
Nashville Auto Diesel College, Inc.	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 Campus#	Phoenix, AZ
Virginia College Technical	Pelham, AL
Westwood College*	Denver, CO
Westwood College*	Woodridge, IL
Wyoming Technical Institute*	Laramie, WY

\* Denotes main campus of a multi-campus system.

\*\* Denotes a Missouri location for an institution based outside of the state.

# Denotes an institution that offers primarily distance education programs.

### ***Exemptions Granted***

Global Village Language Center  
St. Louis, Missouri

This for-profit organization provides a range of language translation and interpretation services including classes in more than 50 languages. In addition, services are available for individuals or groups for which English is a secondary language. Exemption was granted as “a school which offers instruction only in subject areas which are primarily for vocational or recreational purposes as distinct from courses to teach employable, marketable knowledge or skills, which does not advertise occupational objectives and which does not grant degrees.” This school is not accredited.

## AGENDA ITEM SUMMARY

### AGENDA ITEM

Annual Report of the MDHE Proprietary School Program  
Coordinating Board for Higher Education  
June 14, 2007

### DESCRIPTION

The Proprietary School Certification Program was established in fulfillment of the statutory mandate for an oversight program for certain types of postsecondary education institutions. The intent of this board item is to provide background information about the proprietary school certification program as well as a summary of its activities and challenges.

#### Background

- Initial authorizing statutes (173.600 through 173.618, RSMo) enacted in 1983, becoming effective in 1985.
- Statutes revised in 1991 to refine operational standards and exemption criteria.
- Both statutory actions led by the private school community (Missouri Associate of Private Career Colleges and Schools) and passed as a result of institutional support.
- Statutory authority implemented through administrative regulations (6 CSR 10-5.010).
- Most recent regulatory revision (2001) streamlined the organization of the regulations and updated standards to address emerging issues and trends.
- Regulations developed with extensive input from the statutorily established CBHE Proprietary School Advisory Committee and certified institutions.

#### Structure

- All organizations conducting postsecondary education activities in the state must be either certified to operate or determined exempt.
- Exemption typically means the institution is not subject to the jurisdiction of the department.
- Statute establishes eleven exemption categories.
- Certification is based on satisfaction of standards in each of the following areas:
  - Governance and Control
  - Instructional Programs
  - Personnel (Including Faculty Qualifications)
  - Financial Stability and Viability
  - Financial Information for the Consumer
  - Student Services Information

### **Oversight Functions of the Proprietary School Certification Program**

- Exempt or certify newly established nonpublic Missouri institutions.
- Exempt or certify new locations established by non-Missouri organizations.
- Certify non-Missouri proprietary schools with a physical presence for recruitment only.
- Recertify all institutions annually.
- Monitor ongoing compliance with standards by all schools certified to operate.
- Conduct on-site visits to certified schools. This function includes department-organized school visits and joint visits with recognized accrediting agencies.
- Review and approve substantive changes implemented by certified schools. Such changes include the following:
  - Implementation of new programs of instruction
  - Substantive revision of existing programs of instruction
  - Relocation of school
  - Addition of new instructional location
  - Revision of school name
  - Change of school ownership
- Work with the Proprietary School Advisory Committee on program administration, rule and regulation revisions, and grievances and complaints.
- Monitor closed schools and the records of closed schools.
- Review of and action in response to student complaints when the dispute relates to an issue of compliance with standards.
- Provide information and guidance for a better informed consumer.

### **Fiscal Year 2006 Program Performance**

- 170 main and branch campuses issued certificates of approval to operate
  - 102 Missouri private career schools (137 locations including branches)
  - Includes 14 new Missouri schools
- 24 non-Missouri schools approved for recruitment only
- 28 applications to establish new institutions (both exempt and certified to operate) processed
- 11 exemptions granted
- 8 school closings monitored
- 1,166 program additions and revisions processed

### **School Data for Calendar Year 2005**

- Enrollment – 76,087
- Completions – 23,194
- Instructional Programs – 2,052 programs offered
- Personnel – 3,832 administrative and instructional employees
- Financial Contribution – \$296,861,286 expended into the state economy
- Financial Aid Awarded – \$277,639,977 to 35,087 students

## **Legislative Updates**

- Financial assistance for proprietary school students
  - Senate Bill 389 modified the scope of the Joint Committee on Education by adding specific responsibilities relating to the postsecondary level. Part of the committee's tasks will include conducting studies and analysis regarding the feasibility of including students enrolled in proprietary schools in all state-based financial aid programs.
  - Legislative interest in broadening student choice for students receiving state student financial assistance was also seen in other proposals. Although Senate Bill 430 failed to receive action by the Senate, the Smart Start Scholarship Program it proposed to create would have been available to students at a wide range of postsecondary education institutions, including accredited proprietary schools certified to operate.
- Senate Bill 389 extended exempt status, effective July 1, 2008, to all out-of-state public institutions offering instruction in Missouri. Exempt status means the proprietary school certification requirements are not applicable to this category of institution. There are currently three out-of-state public institutions offering instruction at a total of four sites in Missouri. Approval of the programs offered by out of state institutions would continue using standards aligned with the requirements for in-state public institutions.

## **Performance Improvement Activities**

- Improvement in service to schools
  - The program will conduct its biennial survey of institutional satisfaction with this year's annual recertification process. The 2005 edition of the survey indicated overall satisfaction with the performance of the department with 80 percent of respondents rating staff performance as excellent and 70 percent strongly agreeing that Missouri schools are better because of the work of the certification program.
  - Based on comments from several schools concerning needed improvements, staff will begin the development of a customized resource to assist schools in completing the certification application and maintaining compliance with certification standards. The intent is for this resource to provide easily accessible guidance to common questions.
  - Current website enhancements relating to an improved degree search function and more direct access to information designed for approved schools will also improve access to needed guidance and assistance.
- Improvement in service to public
  - The website improvements should also prove useful in the better dissemination of information about choosing a postsecondary education institution by customizing materials to fit audiences we serve and making the information easily accessible.
  - Initial discussions of a more concise version of the annual statistical summary of this sector of education have occurred. It is hoped such a document, with a clearer focus on

important information and trends and more ease of use by the public, will provide a greater understanding of this sector and serve to inform discussion at all levels.

### **System Relationships**

- Program level and discipline – Certified schools offer a full range of programs from short-term nondegree programs through the doctorate. Although focused in occupational and skill based areas, certified schools offer a wide range of vocational and academic programs.
- Accreditation – Approximately 1 in 3 Missouri private career schools are accredited by a recognized accrediting commission. However, there remains considerable misunderstanding and misinformation about the nature of the national associations that accredit many of these institutions.
- Business Relationships – Because many of the programs offered by approved schools are focused directly on occupational entry, most successful schools form close relationships with employers in those employment areas. While some schools still experience challenges with placement and licensure of rates of graduates, many schools provide excellent opportunities for students needing workforce training.
- Transfer of Credit – While the department’s policy framework encourages collaboration and cooperation between institutions in order to ensure receiving institutions recognize skills and knowledge gained at any accredited institution, many challenges continue to exist in smoothing the inter-sector transfer of students. Successes have been achieved in some areas over the last year, including an articulation agreement between an accredited private career school and a public community college to provide specific skill training and access to a specialized associate degree for students.
- Policy Engagement – The department continues to pursue the involvement of private career and other approved school officials in the broad policy work of the agency. The broader focus provided by institutions in this sector strengthen the work of the department and help ensure a broad understanding of the consequences of new or revised policy initiatives.

### **Challenges**

- Institutional Quality Improvement
  - Admission/Retention Issues– Over the last several years a number of postsecondary institutions, many of which are organized as for-profit entities, have been the subject of investigations regarding student recruitment practices and the performance of students that have been admitted to the schools and their instructional programs. While none of these investigations have been directed at Missouri institutions, this environment raises questions and concerns from Missouri residents and policy makers. While our ability to monitor this area is somewhat limited by the nature of the authorizing statute, the program has maintained a focus on ensuring that schools provide students with accurate and complete information designed to develop an informed consumer. Continued focus on this issue by staff, including reviewing statutory provisions for possible improvement, should be a priority.

- Degree Program Quality – Program staff continue to receive a high volume of requests for new and revised programs. While in most instances recognized accreditation standards help support department efforts to maintain minimum quality standards, over the past year, the number of unaccredited institutions seeking degree approval has been on the rise. Due to the limited nature of the program’s statutory authority and the time consuming nature of such reviews, there is concern regarding our ability to continue to ensure minimum program quality expectations, particularly in the absence of recognized accreditation. Staff resources will continue to be focused on this area of challenge as well as consideration of possible revisions to our statutory authority to assist in maintaining acceptable quality levels and avoid issues of substandard or diploma mill degrees.
- Staffing/Resources – Over the past several months, the department has implemented some innovative approaches to ensuring this important area of responsibility has adequate staff and other resources. While those efforts are creating positive movement, more will be necessary if this program is to function at the level necessary to fulfill the intent of the authorizing statute. To maintain an adequate level of consumer protection and customer service, the proprietary certification staff needs to perform additional site visits and improve the data and application processing. These changes require authorization for additional staff and increases in funds for operations.

### **Conclusion**

The goal of the activities undertaken as part of the proprietary school certification program is to provide adequate consumer protection while ensuring that private postsecondary education providers are well positioned and capable of fulfilling their missions and assisting in the achievement of the board’s agenda for educational change in Missouri. These institutions have a crucial role to play in postsecondary education in Missouri, including increasing access to and success in postsecondary education and meeting the needs of Missouri’s employers and workforce training system. An efficient and effective certification program is an essential component of the success of that endeavor by ensuring confidence that unscrupulous institutions cannot operate in Missouri and by challenging the institutions in this sector to meet meaningful qualitative standards.

### **STATUTORY REFERENCE**

Sections 173.600 through 173.618, RSMo, Regulation of Proprietary Schools

### **RECOMMENDED ACTION**

This is a discussion item only.

### **ATTACHMENT(S)**

None

## AGENDA ITEM SUMMARY

### AGENDA ITEM

Lender Inquiry Update  
Coordinating Board for Higher Education  
June 14, 2007

### DESCRIPTION

There has been a great deal of interest and activity lately regarding investigations into institutions of higher education and their relationships with lenders in the student loan industry across the country. As one consequence, Governor Matt Blunt requested that the Coordinating Board for Higher Education (CBHE) conduct a review of institutional relationships with financial aid lenders for all higher education institutions in Missouri. The intent of this board item is to provide an update on this review.

#### Background

In a letter to the CBHE, the Governor indicated that while there does not appear to be any reason to suspect wrong doing in Missouri, it is critical that lenders are not influencing Missouri's financial aid officers to make decisions that may not provide students with the best opportunities for minimizing the costs of debt they may incur in attending an institution of higher education.

To gather the relevant information, MDHE staff developed a survey to be completed at each Missouri institution. In answering the questionnaire, institutions were to consider all current lending relationships that may exist at the institution including those that are outside of the main financial aid office.

#### Survey Results

##### Types of Loans Offered

Federally backed loans:

Over 90 percent of respondents choose Federal Family Education Loans (FFEL) rather than Federal Direct Loans, citing the level of service and borrower benefits as the reasons for their choice. The institutions participating in the Federal Direct Loan Program indicated that they had experienced poor service and a cumbersome loan delivery process with the FFEL program.

Private loans:

Approximately 25 percent of responding institutions utilize private loans in addition to federally backed student loans.

Coordinating Board for Higher Education  
June 14, 2007

### Preferred Lender Lists

FFEL Program participants' preferred lender lists include an average of approximately seven lenders. From institutions utilizing a preferred lender list, responses ranged from two to sixteen.

On average, institutions utilizing private loans include four lenders on their private loan lender list. The smallest number reported was one and the largest was ten.

Institutions' primary reasons for granting preferred lender status are borrower benefits and the level of service. Most institutions re-evaluate preferred lender lists at least annually, but a few institutions indicated that they never review the lists.

Although the vast majority of institutions process loan applications for borrowers requesting a non-preferred lender, a small number of respondents indicated they would not. Of those that do process loan applications for non-preferred lenders, approximately twenty percent provide the applicant with some type of disclaimer or warning relating to the lender choice.

Eighty percent of Federal Direct Loan Program participants indicated that the institution will not process an application for a FFEL Program loan.

### Conflict of Interest Policies

Over half of the responding institutions have written policies relating to the acceptance of gifts from lenders by employees and the institution. Of those with no formal policies, many indicated that their institution is currently developing such policies.

Although most schools report that employees have not received more than nominal gifts from lenders, the majority have accepted institutional-level services or gifts with a value greater than \$50. The most common institutional-level gifts or services reported were printing services, periodic staffing assistance, and giveaways for prospective or incoming students.

### Advisory Boards

Roughly a third of respondents have employees who serve on lender or servicer advisory boards, but most serve with no compensation or reimbursement of travel expenses.

### Conclusion

The survey responses indicate that there does not appear to be any evidence of serious wrong doing or unethical practices occurring at the respondent institutions.

However, there are several areas where survey results indicate the need for the development of statements of best practices. These include:

- There is an inconsistency in the maintenance of written conflict of interest policies and policies governing the acceptance of gifts from lenders or servicers in the financial aid industry;
- There do not seem to be consistent ground rules dealing with service of institutional personnel on industry advisory boards; and
- Many institutions do not have formal policies regarding the periodic examination of preferred lender lists and the designation of preferred lenders.

### **Next Steps**

This summary of responses will be shared with all respondents and with the governor's office. In addition, MDHE staff will be working with institutions on the development of a best practices document from a review of potential best practices throughout the nation that will be shared with the CBHE and the Governor's Office later in the year.

### **STATUTORY REFERENCE**

Chapter 173, RSMo, Department of Higher Education

### **RECOMMENDED ACTION**

This is a discussion item only.

### **ATTACHMENT**

Attachment: Table of Respondents to Lender Inquiry Survey

## Table of Respondents to Lender Inquiry Survey

### Schools that Responded

Avila University	Missouri Southern State University
Bryan College	Missouri State University
Central Methodist University	Missouri Valley College
Columbia College	Missouri Western State University
Colorado Technical University	North Central Missouri College
Concorde Career Institute	Northwest Missouri State University
Cottey College	Ozarks Technical Community College
Crowder College	Pinnacle Career Institute University
Culver-Stockton College	Southeast Missouri State
DeVry University	Saint Louis University
Drury University	Southwest Baptist University
East Central College	St. Louis College of Health Careers
Evangel University	St. Louis Community College - Forest Park
Harris-Stowe State University	St. Louis Community College - Florissant Valley
Heritage College	St. Louis Community College - Meramec
ITT Technical Institute (Arnold MO)	State Fair Community College
ITT Technical Institute (Earth City MO)	Stephens College
ITT Technical Institute (Kansas City)	Truman State University
Jefferson College	University of Central Missouri
L'Ecole Culinaire	University of Missouri - Columbia
Lincoln University	University of Missouri - Kansas City
Lindenwood University	University of Missouri - Rolla
Linn State Technical College	University of Missouri - St. Louis
Maryville University of Saint Louis	Massage Therapy Training Institute
Metro Business College	University of Phoenix
Metropolitan Community College	Vatterott College-Saint Joseph Campus
Mineral Area College	W.T.I. Joplin Campus
Missouri College	Webster University
Missouri State University-West Plains	Wentworth Junior College
Missouri Baptist University	Westminster College
	William Jewell College

**Table of Respondents to Lender Inquiry Survey**

**Schools - No Response**

Allied College  
Aviation Institute of Maintenance  
Broadcast Center  
College of the Ozarks  
Fontbonne University  
Hannibal-LaGrange College  
Hickey College  
Hi-Tech Charities  
Midwest Institute  
Missouri Tech  
Moberly Area Community College  
Park University  
Patricia Stevens College  
Professional Massage Training Center  
Rockhurst University  
Sanford Brown College  
Three Rivers Community College  
Washington University

**Responded but chose not to Participate**

William Woods University

## **AGENDA ITEM SUMMARY**

### **AGENDA ITEM**

FY2008 Budget Update  
Coordinating Board for Higher Education  
June 14, 2007

### **DESCRIPTION**

This item will provide budget updates for the Missouri Department of Higher Education's (MDHE) appropriations House Bill (HB) 3. It will also explain supplemental budget items affecting higher education included in HB16 and the items re-appropriated in HB17.

HB3 was Truly Agreed to and Finally Passed (TAFP) on May 9 and is awaiting the governor's signature. Some changes from the FY2007 HB3 include a 4.48 percent increase for the community colleges; a 6.3 percent increase for Linn State Technical College; and a 4.7 percent increase for the public four-year institutions. The increase to the four-year institutions includes an additional \$500,000 for Missouri State University – West Plains; an additional \$900,000 for Lincoln University; an increase of \$334,000 for Missouri Southern State University; and an increase of \$100,000 for the University of Missouri system. In addition, MOREnet received an increase of \$2.5 million, the Missouri Rehabilitation Center received an increase of \$1.25 million, and Telehealth received an increase of \$420,000.

Also included in the FY2008 TAFP HB3 is an additional \$40 million in the Federal Student Loan Reserve fund; a \$372,000 increase to the Bright Flight program; \$20 million for increases to the Gallagher and Missouri Guarantee programs combined; and an increase of \$500,000 for the GEAR UP program.

The FY2007 supplemental HB16 includes increases to both the Gallagher and the Missouri Guarantee programs totaling \$25 million combined as well as over \$280 million in capital projects for Missouri's public institutions and maintenance and repair funds for community colleges. This bill was signed by the governor on May 22.

HB17, which is a two-year re-appropriations bill, includes the above referenced capital projects because they will not be completed by June 30, 2007. The TAFP HB17 is designated for the period beginning July 1, 2007 and ending June 30, 2009. This bill is awaiting signature of the governor.

### **STATUTORY REFERENCE**

Chapter 173, RSMo, Chapter 33.210 – 33.290, Chapter 163.191, RSMo

Coordinating Board for Higher Education  
June 14, 2007

**RECOMMENDED ACTION**

This is a discussion item only.

**ATTACHMENT**

FY2008 – TAFP Budget Update

## FY 2008 - Administration

	FY 2007		FY 2008 CBHE		FY 2008 Gov		FY 2008		% Change	
	Core Budget	FTE	Recommendation	FTE	Recommendation	FTE	TAFP	FTE	from FY 2007	FTE
Coordination Admin - Core	712,386	14.57	870,684	15.32	713,340	14.50	713,340	14.50	0.1%	-0.5%
Proprietary - Core	128,606	2.08	128,606	2.08	128,606	2.08	128,606	2.08	0.0%	0.0%
Grant/Schol. Admin - Core	106,465	2.00	315,438	7.00	106,465	2.00	106,465	2.00	0.0%	0.0%
Salary Adjustment	N/A		N/A		23,612		23,612		N/A	
Proprietary Bond Fund	100,000		100,000		100,000		100,000		0.0%	
MHEC	90,000		90,000		90,000		90,000		0.0%	
Eisen./Teacher Quality - Core	1,778,746	1.00	1,778,746	1.00	1,778,746	1.00	1,778,746	1.00	0.0%	0.0%
Salary Adjustment	N/A		N/A		1,811		1,811		N/A	
New Federal/Other Grants	2,000,000		2,000,000		2,000,000		2,000,000		0.0%	
<b>TOTAL</b>	<b>4,916,203</b>	<b>19.65</b>	<b>5,283,474</b>	<b>25.40</b>	<b>4,942,580</b>	<b>19.58</b>	<b>4,942,580</b>	<b>19.58</b>	<b>0.5%</b>	<b>-0.4%</b>

**FY 2008 - Financial Assistance And Outreach**

	FY 2007		FY 2008 CBHE		FY 2008 Gov		FY 2008		% Change	
	Core Budget	FTE	Recommendation	FTE	Recommendation	FTE	TAFP	FTE	from FY 2007	FTE
Academic Scholarship (Bright Flight)	15,987,000		16,359,000		16,359,000		16,359,000		2%	
Gallagher Scholarship Program	18,157,854		36,157,854		31,491,187		31,491,187		73%	
College Guarantee Program	9,155,582		17,945,582		15,612,249		15,612,249		71%	
Public Service Grant Program	60,710		60,710		60,710		60,710		0%	
Vietnam Survivor Program	50,000		50,000		50,000		50,000		0%	
Marguerite Ross Barnett Program	425,000		425,000		425,000		425,000		0%	
GEAR UP - Core	1,664,365	5.50	2,164,365	5.50	2,164,365	5.50	2,164,365	5.50	30%	0%
Salary Adjustment	N/A		N/A		6,837		6,837		N/A	
<b>TOTAL</b>	<b>45,500,511</b>	<b>5.50</b>	<b>73,162,511</b>	<b>5.50</b>	<b>66,169,348</b>	<b>5.50</b>	<b>66,169,348</b>	<b>5.50</b>	<b>45%</b>	<b>0%</b>

**FY 2007 Supplemental - Financial Assistance and Outreach**

	CBHE	FY 2008 Gov	FY 2008 House	Truly Agreed to
	Recommendation	Recommendation	Recommendation	and Finally Passed
FY 2007 Academic Scholarship (Bright Flight)	372,000	372,000	372,000	372,000
FY 2007 Gallagher Scholarship Program	0	16,666,667	16,666,667	16,666,667
FY 2007 College Guarantee Program	0	8,333,333	8,333,333	8,333,333

FY 2008 - Missouri Student Loan Program

	<u>FY 2007 Core Budget</u>	<u>FTE</u>	<u>FY 2008 CBHE Recommendation</u>	<u>FTE</u>	<u>FY 2008 Gov Recommendation</u>	<u>FTE</u>	<u>FY 2008 TAFP</u>	<u>FTE</u>	<u>% Change from FY 2007</u>	<u>FTE</u>
Loan Program Admin - Core	11,882,363	50.77	11,807,357	50.02	11,884,847	50.59	11,884,847	50.59	0.02%	-0.4%
Salary Adjustment	N/A		N/A		59,266		59,266		N/A	
Loan Program Revolving Fund and Other Loan Funds	98,750,000		138,750,000		138,750,000		138,750,000		41%	
<b>TOTAL</b>	<b>110,632,363</b>	<b>50.77</b>	<b>150,557,357</b>	<b>50.02</b>	<b>150,694,113</b>	<b>50.59</b>	<b>150,694,113</b>	<b>50.59</b>	<b>36%</b>	<b>-0.4%</b>

FY 2007 Supplemental - Loan Program Revolving Fund

	<u>CBHE Recommendation</u>	<u>FY 2008 Gov Recommendation</u>	<u>FY 2008 House Recommendation</u>	<u>Truly Agreed to and Finally Passed</u>
FY 2007 Loan Program Revolving Fund	40,000,000	40,000,000	24,000,000	24,000,000

FY 2008 - All Institutions	FY 2007 Core Budget	FY 2008 CBHE Recommendation	FY 2008 Gov Recommendation	FY 2008 TAFP	% Change from FY 2007
<u>Community Colleges</u>					
Crowder	4,568,730	5,092,011	4,736,814	4,749,542	3.96%
East Central	5,303,061	5,910,448	5,498,161	5,512,935	3.96%
Jefferson	7,781,015	8,672,215	8,067,279	8,088,956	3.96%
Metropolitan	32,326,133	36,028,611	33,515,411	33,605,472	3.96%
Mineral Area	5,097,973	5,681,870	5,285,527	5,299,730	3.96%
Moberly	5,015,941	5,681,867	5,242,787	5,256,876	4.80%
North Central	2,516,612	2,804,852	2,609,198	2,616,209	3.96%
Ozark Technical	9,763,725	11,618,013	10,463,328	10,491,658	7.46%
St. Charles	7,362,077	8,833,479	7,923,856	7,944,935	7.92%
St. Louis	46,482,134	51,805,971	48,192,212	48,321,711	3.96%
State Fair	5,405,242	6,024,332	5,604,101	5,619,160	3.96%
Three Rivers	4,407,184	4,987,766	4,604,406	4,616,779	4.76%
Sub Total	136,029,827	153,141,435	141,743,080	142,123,963	4.48%
Tax Refund Offset	250,000	250,000	250,000	250,000	0.00%
TOTAL	136,279,827	153,391,435	141,993,080	142,373,963	4.47%
<u>State Technical College</u>					
Linn State Technical College	4,634,133	5,510,528	4,926,265	4,926,265	6.3%
Tax Refund Offset	30,000	30,000	30,000	30,000	0.0%
TOTAL	4,664,133	5,540,528	4,956,265	4,956,265	6.3%
<u>Four-year Institutions</u>					
Missouri Southern	21,539,003	26,228,918	23,102,308	23,436,308	8.81%
Missouri Western	21,197,492	24,680,898	22,358,627	22,358,627	5.48%
Central Missouri	54,963,213	61,775,221	57,271,668	57,271,668	4.20%
Southeast Missouri	44,734,189	50,453,036	46,640,471	46,640,471	4.26%
Missouri State	81,930,532	91,527,323	86,371,614	86,371,614	5.42%
Northwest Missouri	30,484,455	33,532,901	31,764,802	31,764,802	4.20%
Truman State	41,594,223	46,787,660	43,341,180	43,341,180	4.20%
Lincoln University	17,125,184	19,620,117	17,956,828	18,856,828	10.11%
Harris-Stowe	10,017,401	11,259,249	10,438,132	10,438,132	4.20%
University of Missouri	412,991,189	463,452,843	430,836,819	430,936,819	4.35%
Sub Total	736,576,881	829,318,166	770,082,449	771,416,449	4.73%
Tax Refund Offset	875,000	875,000	875,000	875,000	0.00%
TOTAL	737,451,881	830,193,166	770,957,449	772,291,449	4.72%

FY 2008 - UM Related

	<u>FY 2007 Core Budget</u>	<u>FY 2008 CBHE Recommendation</u>	<u>FY 2008 Gov Recommendation</u>	<u>FY 2008 TAFP</u>	<u>% Change from FY 2007</u>
Hospitals and Clinics	13,185,079	13,910,258	13,185,079	13,185,079	0%
State Historical Society	1,019,561	1,277,097	1,519,561	1,519,561	49%
Alzheimer's Program	0	421,520	0	0	0%
Mo Rehabilitation Center	10,401,691	10,973,784	10,401,691	11,651,691	12%
State Seminary Funds	3,250,000	3,250,000	3,250,000	3,250,000	0%
Missouri Institute of Mental Health	1,839,880	1,917,155	1,839,880	1,839,880	0%
Mo Kidney Program	4,016,774	4,185,479	4,016,774	4,016,774	0%
Spinal Cord Injury Research	400,000	400,000	400,000	400,000	0%
MOREnet	10,254,612	12,875,306	10,254,612	12,754,612	24%
Telehealth Network	419,355	0	840,000	420,000	0.2%
<b>TOTAL</b>	<b>44,786,952</b>	<b>49,210,599</b>	<b>45,707,597</b>	<b>49,037,597</b>	<b>9%</b>

**FY 2008 - Total Appropriations**

	FY 2007		FY 2008 CBHE		FY 2008 Gov		FY 2008		\$ Change	
	Appropriation	FTE	Recommendation	FTE	Recommendation	FTE	TAFP	FTE	from FY 2007	FTE
General Revenue	844,641,295	12.57	960,739,609	22.32	885,510,880	12.50	888,055,763	12.50	43,414,468	-0.6%
Federal Funds	5,468,111	12.58	5,309,358	8.58	5,482,693	12.58	5,482,693	12.58	14,582	0%
Other Funds	225,122,464	50.77	292,290,103	50.02	285,426,859	50.59	287,926,859	50.59	62,804,395	-0.4%
<b>TOTAL</b>	<b>1,075,231,870</b>	<b>75.92</b>	<b>1,258,339,070</b>	<b>80.92</b>	<b>1,176,420,432</b>	<b>75.67</b>	<b>1,181,465,315</b>	<b>75.67</b>	<b>106,233,445</b>	<b>-0.3%</b>

## AGENDA ITEM SUMMARY

### AGENDA ITEM

MDHE Marketing Plan  
Coordinating Board for Higher Education  
June 14, 2007

### DESCRIPTION

The intent of this board item is to provide the Coordinating Board for Higher Education (CBHE) an overview of the current competitive environment and the steps being taken to brand the Missouri Department of Higher Education (MDHE) as an organization focused on the best interests of the state and its students. Marketing strategies that support MDHE's work within the student loan industry to provide Missouri's students with low-interest education loans in competition with public and private entities will also be discussed.

#### **New MDHE Branding Strategy**

As a part of its FY2008 Marketing Plan, the MDHE is launching a new logo, tagline, and branding strategy. The agency's logo, colors, and other branding elements are being updated to coordinate with a major redesign of the MDHE website, which will go live July 1, 2007. The agency's branding goal is to reflect an image of an influential and stable organization that is focused on Missouri and the best interests of the state and its citizens. The MDHE exists solely to benefit Missouri and Missourians – not to profit the executives or organizations located in other states or other states' economies.

The new logo, previewed below, was designed to be clearly recognizable and visually bold. A logo is an organization's signature and is therefore a critical branding element.



A tagline is also being introduced: *Building Missouri's Future . . . by degrees* (Attachment A). The tagline is generic enough to be used across all agency functions and audiences. The tagline must be as appropriate for academic affairs, legislators, and other audiences as it is for students and parents seeking financial aid information. The tagline will be used in FY2008 for printed materials, advertising, electronic communications, and other materials, as appropriate.

#### **Marketing Applications for MDHE Student Loan Work**

The MDHE's public image is also an important aspect of the branding strategy. It is important for customers, borrowers, students, parents, and other stakeholders to be aware that the MDHE is a state agency that profits in no way from administering student loans. Funds earned by

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administering the Federal Family Education Loan (FFEL) program are reinvested into the state of Missouri in the form of administrative costs, outreach activities, grant funds, and other student-centered initiatives. These funds ultimately replace taxpayer dollars (general revenue) to cover the state's costs of operating the Missouri Department of Higher Education.

The MDHE's desired image includes the following:

- Missouri focused; concentrated on the best interests of the state and its citizens
- Knowledgeable, experienced, and a trusted resource
- Collaborative, responsive, supportive, helpful, friendly, and philanthropic
- Stable, established, secure, enduring, and committed

### **Student Loan Program and the Competitive Environment**

MDHE staff tracks and analyzes the competitive environment in Missouri related to federal student loan programs. The MDHE is the state-designated guaranty agency in Missouri and administers the FFEL program on behalf of the U.S. Department of Education (USDE). There are 35 other guarantors operating in the FFEL Program, and the USDE also competes against the MDHE in the Federal Direct Loan Program. The MDHE's largest competitors for the Stafford and PLUS loan volume within the state of Missouri include:

- USDE and the Direct Loan Program
- USA Funds, private non-profit FFEL guarantor based in Indiana
- Texas (TG), private non-profit FFEL guarantor based in Austin, Texas
- National Student Loan Program (NSLP), a private non-profit FFEL guarantor based in Nebraska
- EdFund, a private non-profit FFEL guarantor based in California
- Great Lakes, a private non-profit FFEL guarantor based in Wisconsin
- Illinois, an Illinois state agency and FFEL guarantor based in Chicago

It is the MDHE's goal to guarantee over 90% of the loan volume with each and every public higher education institution in Missouri. The MDHE also has a goal to serve over 75% of the loan volume for all other school types in Missouri.

### **Communication Strategies and Related Issues**

In January 2006, the MDHE attempted to provide proactive warnings to Missouri schools regarding preferred lenders and borrower choice by publishing an article in its monthly electronic newsletter (MDHE Digest), "USDE Anti-Inducement Provisions." This article outlined the federal requirements and provided specific regulatory citations on these issues. During 2007, preferred lender lists, lender inducements, and borrower choice came to the forefront as nationally debated issues. Focus has been placed on these issues politically as well as within the financial aid community and the general media. Borrower choice, preferred lender list practices, and lender inducement regulations are expected to dominate the industry during FY2008. The MDHE is adjusting communication and outreach strategies accordingly to include a greater emphasis on outreach among high school students and other consumer audiences.

The MDHE's communication messages include the following:

- The MDHE is a state agency that provides some degree of protection against inducement concerns. Loans guaranteed by the MDHE in no way profit individuals, employees/executives, or the organization; there are no shareholders or executives receiving millions annually in pay and other compensation.
- Schools choosing to recommend the MDHE and MOHELA, the state secondary market, for their federal student loan providers can clearly demonstrate the recommendation is based on price and other issues benefiting borrowers directly. The choice is NOT based on winning and dining. MOHELA's borrower benefits (Rate Relief) are unbeaten in the country as providing the lowest interest rates and the most overall savings to borrowers when the MDHE is the guarantor. It is noted that direct lending is the most expensive option for the borrower with the least repayment benefits/savings and the highest upfront fees.
- The MDHE offers free, unbiased resources for students and parents. Planning and funding options for college can be found on the agency's website or by calling toll-free for information to be mailed.
- Students and parents have the choice of loan providers. It is therefore important for consumers to be educated about their options and to select wisely. The MDHE's goal is to provide thorough and comprehensive information to assist with that important and individual choice.

## **STATUTORY REFERENCE**

Chapter 173, RSMo, Department of Higher Education

## **RECOMMENDED ACTION**

This is a discussion item only.

## **ATTACHMENTS**

Attachment A: MDHE Logo and Tagline

Attachment B: MDHE and Competitor Volume

Attachment C: Missouri Schools and Federal Fiscal Year 2006 Volume

Attachment D: Missouri Schools Working with MDHE Competitors in Federal Fiscal Year 2006



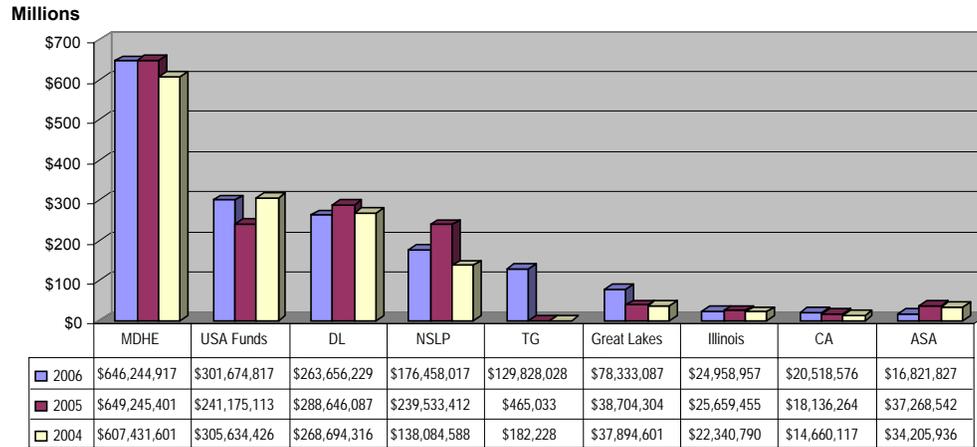
**MDHE**

Missouri Department of Higher Education

*Building Missouri's future...  
by degrees*

## MDHE and Competitor Volume, Federal Fiscal Year (FFY) 2006 student loan data

FFY 2004-2006



The market share associated with the guarantors displayed in the previous chart may be broken down as follows:

Guarantor	FY2006 MO volume	Market share %	% change in \$\$ from FY05
MDHE	\$646,244,917	38.8%	- 0.462%
USA Funds	\$301,674,817	18.1%	+25.09%
Direct Lending	\$263,656,229	15.8%	- 8.65%
NSLP (Nebraska)	\$176,458,017	10.6%	- 26.33%
TG (Texas)	\$129,828,028	7.8%	+27,818%
Great Lakes	\$78,333,087	4.7%	+102.39%
Illinois	\$24,958,576	1.5%	- 2.73%
EdFund (California)	\$20,518,827	1.2%	+13.14%
ASA (Massachusetts)	\$16,821,827	1.0%	- 54.86%

## Missouri state schools and Federal Fiscal Year 2006 volume

School	MDHE Guarantees		Other Guarantees		Competitors Used
<b>State 2-year institutions</b>					
Crowder College	\$3,364,580	100%	\$0	0%	None
East Central College	\$3,122,603	99.9%	\$3,312	0.1%	
Jefferson College	\$3,541,002	99.9%	\$5,109	0.1%	
Linn State Technical College	\$2,633,034	99.3%	\$18,125	0.7%	
Metropolitan Community Colleges (4 campuses)	\$10,382,268	100%	\$0	0%	None
Mineral Area College	\$3,496,410	99.7%	\$10,412	0.3%	
Missouri State University West Plains	\$2,014,775	100%	\$0	0%	None
Moberly Area Community College	\$4,062,389	99.8%	\$9,100	0.2%	
North Central Missouri College	\$2,820,449	99.8%	\$5,500	0.2%	
Ozarks Technical Community College	\$13,445,617	100%	\$0	0%	None
St. Charles Community College	\$3,709,285	99.9%	\$4,350	0.1%	
St. Louis Community Colleges (3 campuses)	\$10,356,858	99.0%	\$104,755	1.0%	
State Fair Community College	\$5,599,047	99.9%	\$6,000	0.1%	
Three Rivers Community College	\$2,912,300	100%	\$0	0%	None
<b>Sub-total</b>	<b>\$71,460,617</b>	<b>99.8%</b>	<b>\$166,663</b>	<b>0.2%</b>	
<b>State 4-year institutions</b>					
Harris-Stowe State College	\$7,145,789	99.6%	\$30,963	0.4%	
Lincoln University	\$13,107,205	99.8%	\$32,738	0.2%	
Missouri State University	\$71,663,298	94.5%	\$4,177,664	5.5%	NSLP; USA
Missouri Western State College	\$20,120,068	99.1%	\$182,550	0.9%	
Southeast Missouri State University	\$33,964,404	99.5%	\$184,385	0.5%	
Truman State University	\$12,419,393	94.6%	\$703,367	5.4%	USA Funds
<b>Sub-total</b>	<b>\$158,420,157</b>	<b>96.8%</b>	<b>\$5,311,667</b>	<b>3.2%</b>	
<b>State 4-year institutions</b>					
Missouri Southern State College	\$0	0%	\$16,643,419	100%	DL
Northwest Missouri State University	\$78,301	0.3%	\$24,739,645	99.7%	DL
University of Central Missouri	\$0	0%	\$45,585,860	100%	DL
<b>Sub-total</b>	<b>\$78,301</b>	<b>0.1%</b>	<b>\$86,968,924</b>	<b>99.9%</b>	
<b>UM system</b>					
University of Missouri Columbia	\$3,928,534	3.0%	\$126,514,358	97.0%	DL
University of Missouri Kansas City	\$9,438,854	10.3%	\$82,095,921	89.7%	TG; NSLP
University of Missouri Rolla	\$2,886,299	19.0%	\$12,309,057	81.0%	DL
University of Missouri St. Louis	\$66,703,942	99.7%	\$221,041	0.3%	
<b>Sub-total</b>	<b>\$82,957,629</b>	<b>27.3%</b>	<b>\$221,140,377</b>	<b>72.7%</b>	
<b>Grand total all state schools</b>	<b>\$312,792,999</b>	<b>49.95%</b>	<b>\$313,587,631</b>	<b>50.05%</b>	

*Note:* The unshaded rows meet the MDHE's goal of serving over 90% of the student loan volume at Missouri's public institutions. The shaded rows are a concern; these schools do NOT meet the MDHE's goal of serving over 90% of the student loan volume at Missouri institutions.

### Missouri Schools Working with Competitors in Federal Fiscal Year 2006

Competitors generally seek to guarantee only the highest-yield or lowest-risk loans associated with public and private baccalaureate, graduate, and professional schools. The following table lists the Missouri schools guaranteeing the largest dollar amount of federal student loans with guarantors other than the MDHE during federal fiscal year 2006.

	School	MDHE Guarantees		Other Guarantees		Competitors Used
1.	Webster University *	\$686,901	0.4%	\$157,812,894	99.6%	Nebraska (NSLP); USA Funds
2.	University of Missouri – Columbia	\$3,928,534	3.0%	\$126,514,358	97.0%	Direct Lending (DL)
3.	University of Missouri – Kansas City *	\$9,438,854	10.3%	\$82,095,921	89.7%	Texas (TG); NSLP
4.	A.T. Still University *	\$77,800	0.1%	\$54,199,405	99.9%	ASA, USA Funds
5.	Columbia College *	\$176,981	0.4%	\$46,179,040	99.6%	USA Funds
6.	University of Central Missouri	\$0	0%	\$45,585,860	100%	DL
7.	Lindenwood University	\$512,695	1.2%	\$44,185,908	98.8%	TG; USA Funds
8.	Vatterott (all campuses)	\$50,801	0.1%	\$39,958,723	99.9%	USA Funds
9.	Kansas City University of Medicine and Biosciences *	\$143,853	0.4%	\$38,550,226	99.6%	Great Lakes; USA Funds; NSLP
10.	Logan University *	\$0	0%	\$38,015,653	100%	USA Funds
11.	Washington University *	\$21,638,839	40.4%	\$31,945,867	59.6%	Great Lakes; Illinois; USA Funds
12.	Saint Louis University	\$67,052,146	69.5%	\$29,487,949	30.5%	TG, USA Funds, NSLP
13.	Sanford Brown (all campuses)	\$270,050	1.0%	\$25,892,172	99.0%	USA Funds; NSLP
14.	Northwest Missouri State University	\$78,301	0.3%	\$24,739,645	99.7%	DL
15.	Saint Louis University medical	\$0	0%	\$19,083,266	100%	Great Lakes
16.	Maryville University of St. Louis	\$0	0%	\$19,019,282	100%	DL
17.	Cleveland Chiropractic College *	\$29,497	0.2%	\$17,916,555	99.8%	NSLP; TG; USA Funds
18.	Missouri Southern State College	\$0	0%	\$16,643,419	100%	DL
19.	Washington University School of Medicine *	\$114,075	0.7%	\$15,904,682	99.3%	Great Lakes; USA Funds
20.	University of Missouri – Rolla	\$2,886,299	19.0%	\$12,309,057	81.0%	DL
21.	Park University	\$21,373,168	67.8%	\$10,147,906	33.2%	TG; USA Funds; NSLP
22.	William Jewell College *	\$136,205	1.5%	\$9,248,622	98.5%	USA Funds

\* Examples of “cherry picking” by other guarantors such as USA Funds, TG, NSLP, and others