

## AGENDA ITEM SUMMARY

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2018 Legislative Preview  
Coordinating Board for Higher Education  
December 14, 2017

### DESCRIPTION

The intent of this item is to provide background information about the upcoming legislative session.

#### Legislation

Higher education continues to be a topic of considerable interest to legislative leaders. We anticipate the introduction of legislation in several areas that could impact the department and the state's colleges and universities.

**Higher Education System Review.** In early 2016, legislative leadership requested the Missouri Department of Higher Education (MDHE) facilitate a meeting of stakeholders and begin the process of reviewing the current structure of public higher education in Missouri. They asked that the group discuss recommendations on the overall structure of public two- and four-year institutions, varying institutional missions, and the degree review and approval process. In February 2017, the Coordinating Board for Higher Education established as a legislative priority the implementation of the recommendations from the resulting task force. Legislation to provide the needed framework was introduced but, while there was limited opposition, did not successfully complete the legislative process. Because these legislative changes underpin the proposed revisions of the degree program approval administrative rule and also provide needed clarity regarding degree authorization, staff will encourage the introduction of that legislation by key legislative champions and anticipates working to secure its adoption.

**Student Aid Programs.** It is expected legislation will again be introduced to create a new category of financial aid-eligible institution designed to make Missouri residents enrolled at Western Governors University eligible for state aid. It is also likely legislation will be introduced to restructure Bright Flight as a loan forgiveness program requiring recipients to repay the funds received if they do not remain and work in Missouri after graduation. It is possible that changes to other state aid programs will be proposed, including. Revision of the current three-year high school enrollment requirement for the A+ program and efforts to reduce the student loan debt incurred by graduates.

With regard to the administration of the Federal Family Education Loan Program (FFELP), the MDHE will seek approval to modify the statute that authorizes the department to administratively garnish the wages of borrowers with defaulted loans. The current law restricts garnishment to ten percent of a borrower's earnings, while federal statutes governing FFELP permit garnishment of up to 15 percent of a borrower's earnings. MDHE recommends changing the statutory language to specify that the garnishment must be "in an amount not to exceed federal wage garnishment limitations."

**Guns on Campus.** Missouri law currently prohibits firearms on the campus of any higher education institution without the consent of the governing body of the higher education institution. However, possession of a firearm in a vehicle on the premises of any higher education institution is permitted so long as the firearm is not removed from the vehicle or brandished while the vehicle is on the premises.

Changes to these requirements continue to be of legislative interest, and we anticipate the 2018 session will likely see such proposals introduced. Nine states, including two that border Missouri (Kansas and Arkansas), either already allow carrying firearms on campus or will in the near future.

**Other Possible Issues.** During the 2017 legislative session, several bills were introduced to require the release of specific information about higher education costs and outcomes. These included publication of information about the total cost of degree programs, likely employment areas for graduates, and employment rates and earnings information for graduates. There are several projects underway at both the MDHE and within the Department of Economic Development to make this type of information

available. Regardless, it is likely there will continue to be legislative interest in the types of information published about postsecondary education and how it is made available to students and families.

On a related subject, the General Assembly has discussed for the past several sessions, but failed to enact, proposals to provide additional data security for sensitive electronic records, including educational records, and to limit the manner in which those records can be shared. Staff expects continued legislative interest in this subject. While the department understands the need to provide the greatest protection possible to individually identifiable data, that effort should not undermine the use of that data to conduct important research on such issues as student persistence, completion, and employment.

### **FY 2019 Higher Education Budget**

While the state's economy continues to show signs of slow but steady improvement, there are some indicators that financial challenges remain for the state. While total year-to-date revenues through October are up by almost nine percent over last year, this obscures some underlying weakness in revenue growth. First, the current growth is being driven by sources other than income and sales tax revenues. Income and sales tax revenues, which make up approximately 95 percent of state General Revenue, are increasing much more modestly. In fact, sales tax revenues for October were down slightly over the previous year. In addition, recently enacted reductions in the state income tax rate will begin implementation during the last half of this fiscal year. Finally, congressional action to implement federal tax reform has the potential to dramatically impact state level revenues since Missouri's income tax process is closely tied to the federal process.

Clearly this picture is not positive and staff anticipates limited, if any, additional funding for higher education in FY 2019. In fact, given the factors cited above, additional reductions both for institutions and the department are possible. Specific recommendations for funding of institutional core operations are included behind Tab E of these board materials. Funding increases for student aid programs administered by the department are needed to maintain their value to students, but it is unclear if resources will be available to fund the increases recommended by the CBHE in September.

**Capital Improvements.** Over the past several years, higher education institutions have received substantial support for capital improvements projects. Because the current revenue picture likely does not support a continuation of that level of support, the capital improvements information found under Tab F does not include a request for FY 2019 funding for capital improvements. Hopefully, the state revenue picture will stabilize in the near future which would allow a return to developing and recommending funding for capital improvements.

### **STATUTORY REFERENCE**

N/A

### **RECOMMENDED ACTION**

This is an information item only.

### **ATTACHMENT(S)**

None