

SENATE SUBSTITUTE
FOR
SENATE BILL NO. 494

AN ACT

To repeal sections 160.254 and 173.250, RSMo, and to enact in lieu thereof two new sections relating to higher education.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF MISSOURI,
AS FOLLOWS:

1 Section A. Sections 160.254 and 173.250, RSMo, are
2 repealed and two new sections enacted in lieu thereof, to be
3 known as sections 160.254 and 173.250, to read as follows:

4 160.254. 1. There is hereby established a joint committee
5 of the general assembly, which shall be known as the "Joint
6 Committee on Education", which shall be composed of seven members
7 of the senate and seven members of the house of representatives.
8 The senate members of the committee shall be appointed by the
9 president pro tem of the senate and the house members by the
10 speaker of the house.

11 2. The committee shall meet at least twice a year. In the
12 event of three consecutive absences on the part of any member,
13 such member may be removed from the committee.

14 3. The committee shall select either a chairman or
15 cochairmen, one of whom shall be a member of the senate and one a
16 member of the house. A majority of the members shall constitute
17 a quorum. Meetings of the committee may be called at such time
18 and place as the chairman or chairmen designate.

19 4. The committee shall:

1 (1) Review and monitor the progress of education in the
2 state's public schools and institutions of higher education;

3 (2) Receive reports from the commissioner of education
4 concerning the public schools and from the commissioner of higher
5 education concerning institutions of higher education;

6 (3) Conduct a study and analysis of the public school
7 system;

8 (4) Make recommendations to the general assembly for
9 legislative action;

10 (5) Conduct an in-depth study concerning all issues
11 relating to the equity and adequacy of the distribution of state
12 school aid, teachers' salaries, funding for school buildings, and
13 overall funding levels for schools and any other education
14 funding-related issues the committee deems relevant;

15 (6) Monitor the establishment of performance measures as
16 required by section 173.1006 and report on their establishment to
17 the governor and the general assembly;

18 (7) Conduct studies and analysis regarding:

19 (a) The higher education system, including financing public
20 higher education and the provision of financial aid for higher
21 education; and

22 (b) The feasibility of including students enrolled in
23 proprietary schools, as that term is defined in section 173.600,
24 in all state-based financial aid programs;

25 (8) Annually review the collection of information under
26 section 173.093 to facilitate a more accurate comparison of the
27 actual costs at public and private higher education institutions;

28 (9) Within three years of August 28, 2007, review a new

1 model for the funding of public higher education institutions
2 upon submission of such model by the coordinating board for
3 higher education;

4 (10) Within three years of August 28, 2007, review the
5 impact of the higher education student funding act established in
6 sections 173.1000 to 173.1006;

7 (11) Beginning August 28, 2008, upon review, approve or
8 deny any expenditures made by the commissioner of education
9 pursuant to section 160.530, as provided in subsection 5 of
10 section 160.530.

11 5. [During the legislative interim between the first
12 regular session of the ninety-fifth general assembly through
13 January 29, 2010, of the second regular session of the
14 ninety-fifth general assembly, the joint committee on education
15 shall study the issue of open enrollment for public school
16 students across school district boundary lines in this state. In
17 studying this issue, the joint committee may solicit input and
18 information necessary to fulfill its obligation, including but
19 not limited to soliciting input and information from any state
20 department, state agency, school district, political subdivisions
21 of this state, teachers, and the general public. The joint
22 committee shall prepare a final report, together with its
23 recommendations for any legislative action deemed necessary for
24 submission to the general assembly by December 31, 2009.] By
25 November 1, 2014, the committee shall conduct a study of the
26 higher education academic scholarship program, the access
27 Missouri financial assistance program, and the reimbursement
28 portion of the A+ schools program. The study shall include, but

1 not be limited to, eligibility requirements for each program,
2 acceptance of aid by eligible students, and retention and
3 graduation rates of recipients.

4 6. The committee may make reasonable requests for staff
5 assistance from the research and appropriations staffs of the
6 house and senate and the committee on legislative research, as
7 well as the department of elementary and secondary education, the
8 department of higher education, the coordinating board for higher
9 education, public institutions of higher education, the state tax
10 commission, the department of economic development, all school
11 districts and other political subdivisions of this state,
12 teachers and teacher groups, business and other commercial
13 interests and any other interested persons.

14 7. Members of the committee shall receive no compensation
15 but may be reimbursed for reasonable and necessary expenses
16 associated with the performance of their official duties.

17 173.250. 1. There is hereby established a "Higher
18 Education Academic Scholarship Program" and any moneys
19 appropriated by the general assembly for this program shall be
20 used to provide academic scholarships and forgivable loans for
21 Missouri citizens to attend a Missouri college or university of
22 their choice pursuant to the provisions of this section.

23 2. The definitions of terms set forth in section 173.1102
24 shall be applicable to such terms as used in this section. In
25 addition, the following definitions shall apply:

26 (1) "Academic scholarship", an amount of money paid by the
27 state of Missouri to a student pursuant to the provisions of this
28 section;

1 (2) "ACT", the American College Testing program
2 examination;

3 (3) "Approved institution", an approved public or approved
4 private institution as defined in section 173.1102;

5 (4) "Continuous enrollment", successful completion of at
6 least twenty-four semester credit hours by the conclusion of the
7 twelve months following a renewal student's initial enrollment
8 and thirty additional semester credit hours at the conclusion of
9 each subsequent twelve-month period. Credit for work completed
10 prior to completion of secondary coursework, including but not
11 limited to dual credit or dual enrollment, may be counted in the
12 continuous enrollment calculation as determined by the department
13 of higher education;

14 (5) "Cost of attendance", the estimated full and reasonable
15 cost of completing a full academic year as a full-time student;

16 (6) "Eligible borrower", an eligible student beginning in
17 academic year 2014-15 who completed secondary coursework in the
18 2013-14 school year or subsequent year and elects to receive a
19 forgivable loan or loans under the provisions of this section;

20 (7) "Eligible student", an individual who meets the
21 criteria set forth in section 173.1104, excluding the
22 requirements of financial need and undergraduate status and, in
23 addition, meets the following requirements:

24 (a) Has achieved a qualifying score on the ACT or SAT;

25 (b) Is a Missouri resident who has completed secondary
26 coursework through graduation from high school or the virtual
27 public school established in section 161.670, receipt of a
28 general education development (GED) diploma, completion of a

1 program of study through homeschooling or any other program of
2 academic instruction that satisfies the compulsory attendance
3 requirement under section 167.031; and

4 (c) Is enrolled full time or accepted for full-time
5 enrollment as a postsecondary student at an approved institution
6 during the academic year immediately following the completion of
7 his or her secondary coursework; and

8 (d) For an applicant who graduates from high school during
9 the 2016-17 academic year or after:

10 a. Has achieved a score of proficient or advanced on the
11 official Algebra I end-of-course assessment, or the equivalent
12 level on a successor assessment or a higher level department of
13 elementary and secondary education approved end-of-course
14 assessment in the field of mathematics, unless the student's high
15 school has met all of the department of elementary and secondary
16 education's requirements for waiver of the Algebra I end-of-
17 course assessment for the recipient; or

18 b. Has achieved a qualifying score, as established annually
19 by the coordinating board for higher education, on an identified
20 math component of the COMPASS exam published by ACT or the
21 mathematics component of the ACT test as a high school or
22 postsecondary student; or

23 c. For a student with an individualized education program
24 or a plan prepared under section 504 of the Rehabilitation Act of
25 1973, has demonstrated proficiency in the area of mathematics
26 through the completion of criteria as established by the
27 coordinating board for higher education through rule and
28 regulation; and

1 d. Has achieved a score of proficient or advanced on the
2 official English I end-of-course assessment, or the equivalent
3 level on a successor assessment or a higher level department of
4 elementary and secondary education-approved end-of-course
5 assessment in the field of English, unless the student's high
6 school has met all of the department of elementary and secondary
7 education's requirements for waiver of the English I
8 end-of-course assessment for the recipient; or

9 e. Has achieved a qualifying score, as established annually
10 by the coordinating board for higher education, on an identified
11 English component of the COMPASS exam published by ACT or the
12 English component of the ACT test as a high school or
13 postsecondary student; or

14 f. For a student with an individualized education program
15 or a plan prepared under section 504 of the Rehabilitation Act of
16 1973, has demonstrated proficiency in the area of English through
17 the completion of criteria as established by the coordinating
18 board for higher education through rule and regulation;

19 (8) "Employed in the state of Missouri", employed full-time
20 at a workplace located within the state of Missouri and required
21 to make returns of income in accordance with section 143.481, or
22 self-employed, with at least fifty percent of an individual's
23 annual income coming from self-employment, while a Missouri
24 resident;

25 (9) "Fund", the higher education academic scholarship trust
26 fund established under subsection 16 of this section;

27 [(5)] (10) "Missouri test-takers", all Missouri high school
28 seniors who take the ACT or the SAT;

1 [(6)] (11) "Qualifying score", a composite score on the ACT
2 or the SAT achieved in an eligible student's high school
3 sophomore, junior, or senior year that is in the top five percent
4 of Missouri test-takers, as established at the beginning of an
5 eligible student's final year of secondary coursework;

6 [(7)] (12) "Recipient", an eligible or renewal student who
7 receives an academic scholarship or forgivable loan pursuant to
8 this section;

9 [(8)] (13) "Renewal student", an eligible student who
10 remains in compliance with the provisions of section 173.1104,
11 receives a scholarship payment during each academic year,
12 maintains continuous enrollment, and makes satisfactory academic
13 degree progress; and

14 [(9)] (14) "SAT", the Scholastic Aptitude Test.

15 3. The coordinating board for higher education shall be the
16 administrative agency for the implementation of the program
17 established by this section, and shall:

18 (1) Promulgate reasonable rules and regulations for the
19 exercise of its functions and the effectuation of the purposes of
20 this section, including regulations for granting scholarship
21 deferments and forgivable loans;

22 (2) Prescribe the form and the time and method of awarding
23 academic scholarships and forgivable loans, and shall supervise
24 the processing thereof; [and]

25 (3) Select qualified recipients to receive academic
26 scholarships[,] and

27 (4) Make [such] awards of academic scholarships and
28 forgivable loans to qualified recipients and determine the manner

1 and method of payment to the recipient.

2 4. Eligible students shall be offered academic scholarships
3 in the following amounts and in the following order of priority,
4 within the limits of the funds appropriated and made available:

5 (1) Each eligible student with a qualifying score in the
6 top three percent of all Missouri test-takers shall be offered an
7 academic scholarship of up to three thousand dollars per year.
8 All students in the top three percent shall receive awards of
9 three thousand dollars before any student in the top fourth and
10 fifth percentiles receives any award;

11 (2) Provided sufficient funds are appropriated, each
12 eligible student with a qualifying score in the top fourth and
13 fifth percentiles shall be offered an academic scholarship of up
14 to one thousand dollars per year.

15 5. Eligible students may renew academic scholarships for
16 their second, third, and fourth years of postsecondary education,
17 or as long as the recipient is in compliance with the criteria to
18 be a renewal student.

19 6. If an eligible student is unable to enroll during the
20 first academic year or a renewal student ceases attendance at an
21 approved institution for the purpose of providing service to a
22 nonprofit organization, a state or federal government agency, or
23 any branch of the Armed Forces of the United States, such student
24 shall be offered an academic scholarship upon enrollment in any
25 approved institution after the completion of their service, if
26 the student meets all other requirements for an initial or
27 renewal award and if the following criteria are met:

28 (1) For an eligible student who cannot attend an approved

1 institution as a result of service to a nonprofit organization or
2 the state or federal government, the student returns to full-time
3 status within twenty-seven months and provides verification to
4 the coordinating board for higher education that the service to
5 the nonprofit organization was satisfactorily completed and was
6 not compensated other than for expenses, or that the service to
7 the state or federal government was satisfactorily completed; or

8 (2) For an eligible student who cannot attend an approved
9 institution as a result of military service in the Armed Forces
10 of the United States, the student returns to full-time status
11 within six months after the eligible student first ceases service
12 to the Armed Forces and provides verification to the coordinating
13 board for higher education that the military service was
14 satisfactorily completed.

15 7. A recipient of an academic scholarship awarded under
16 this section may transfer from one approved institution to
17 another without losing eligibility for the academic scholarship.

18 8. If a recipient of an academic scholarship at any time
19 withdraws from an approved institution so that under the rules
20 and regulations of that institution he or she is entitled to a
21 refund of any tuition, fees or other charges, the institution
22 shall pay the portion of the refund attributable to the academic
23 scholarship for that term to the coordinating board for higher
24 education.

25 9. Other provisions of this section to the contrary
26 notwithstanding, if an eligible student has been awarded an
27 initial academic scholarship pursuant to the provisions of this
28 section but is unable to attend an approved institution during

1 the first academic year because of illness, disability, pregnancy
2 or other medical need or if a renewal student ceases all
3 attendance at an approved institution because of illness,
4 disability, pregnancy or other medical need, the recipient shall
5 be eligible for an initial or renewal academic scholarship upon
6 enrollment in or return to any approved institution, provided the
7 recipient:

8 (1) Enrolls in or returns to full-time status within
9 twenty-seven months;

10 (2) Provides verification in compliance with coordinating
11 board for higher education rules of sufficient medical evidence
12 documenting an illness, disability, pregnancy or other medical
13 need of such person to require that that person will not be able
14 to use the academic scholarship during the time period for which
15 it was originally offered; and

16 (3) Meets all other requirements established for
17 eligibility to receive an academic scholarship.

18 10. If an eligible student is unable to maintain continuous
19 enrollment as required by subdivision (4) of subsection 2 of this
20 section due to serious and unusual personal circumstances, such
21 student may seek a waiver of the attendance requirements of this
22 section by appealing to the person or committee the institution
23 the student attends has designated to consider appeals from
24 students who are not in compliance with federal requirements
25 regarding satisfactory academic progress.

26 11. An eligible borrower, including such individual as a
27 renewal student, may elect to receive forgivable loans for up to
28 ten semesters, or their equivalent. The amount of the loan shall

1 not exceed tuition and required fees, as defined in this
2 subsection, minus the amount of the academic scholarship. In the
3 case of a community college, the tuition and required fees shall
4 be the out-of-district charge for the highest tuition and
5 required fees as reported each year to the department by an
6 institution of that sector; at other approved public
7 institutions, as defined in section 173.1102, the tuition and
8 required fees shall be the tuition and required fees as defined
9 and reported under section 173.1003; in the case of an approved
10 private institution as defined in section 173.1102 or a public
11 vocational technical school, the tuition and required fees shall
12 be the same as the tuition and required fees charged by the
13 University of Missouri-Columbia. In addition, the amount of the
14 loan, when combined with all other aid, shall not exceed the
15 standard institutional cost of attendance. All tuition and
16 required fee amounts shall be calculated based on enrollment in
17 fifteen credit hours or the equivalent per semester. The loan
18 shall be payable from the board in no fewer than two equal
19 payments.

20 12. Eligible borrowers who are in compliance with program
21 requirements, as established by the coordinating board, may
22 qualify for forgiveness of a loan or loans received through the
23 program by agreeing to be employed in the state of Missouri with
24 such employment beginning within one calendar year of the
25 cessation of full-time postsecondary attendance, including
26 graduate and professional education programs, and fulfilling the
27 terms outlined in the contract as provided in subsection 14 of
28 this section.

1 13. The coordinating board shall approve loan forgiveness
2 on a year-by-year basis. Each twelve months of qualifying
3 employment authorizes the forgiveness of the loan or loans
4 received within one academic year. Eligible borrowers that cease
5 to be employed in the state of Missouri and students that elect
6 not to comply with these employment requirements, or that fail to
7 meet these requirements, shall be required to repay with interest
8 any or all outstanding loan balances under the contractual
9 provisions described in subsection 14 of this section.

10 14. The coordinating board shall annually enter into a
11 contract with each individual electing to participate in the
12 forgivable loan program at the time at which the individual makes
13 that election. The written contract shall contain, but not be
14 limited to, the following:

15 (1) The terms and conditions under which the loan is made
16 and the requirements for repayment of the loan by the student;

17 (2) A stipulation that no interest shall be assessed on any
18 forgivable loan provided through the program while the student is
19 enrolled full time, or enrolled part time with the approval of
20 the board, including enrollment in graduate or professional
21 school, and meets the eligibility requirements established in
22 this section;

23 (3) The terms and conditions for qualifying for forgiveness
24 of loan proceeds received through the program;

25 (4) A provision that any financial obligations arising out
26 of a contract entered into, and any obligations of the individual
27 which are conditioned thereon, are contingent upon funds being
28 appropriated to the higher education academic scholarship trust

1 fund established under subsection 16 of this section; and

2 (5) The amount of any interest or penalties assessed, in
3 the event repayment of the loan by the student is not made in
4 accordance with the contract, or the student fails to maintain
5 eligibility or other requirements of the program. All such
6 interest or penalties shall be deposited in the higher education
7 academic scholarship trust fund.

8 15. The coordinating board shall have the power to defer
9 interest and principal payments under certain circumstances,
10 which shall include, but not be limited to, service in any branch
11 of the Armed Forces of the United States.

12 16. The "Higher Education Academic Scholarship Trust Fund"
13 is hereby created in the state treasury, to be used by the
14 coordinating board for higher education to provide loans to
15 students under this section. All appropriations, private
16 donations, and other funds provided to the board for this program
17 shall be credited to the fund. All funds generated by loan
18 repayments and any penalties received under this section, shall
19 also be credited to the fund less the department's cost to
20 contract for the administration of the loan forgiveness program,
21 not to exceed two percent of the total loan volume of the
22 program. Notwithstanding the provisions of section 33.080 to the
23 contrary, any unexpended balance in the fund shall not revert to
24 the general revenue fund.

25 17. The coordinating board for higher education may
26 promulgate all necessary rules and regulations for the
27 administration of this section. Any rule or portion of a rule,
28 as that term is defined in section 536.010, that is created under

1 the authority delegated in this section shall become effective
2 only if it complies with and is subject to all of the provisions
3 of chapter 536 and, if applicable, section 536.028. This section
4 and chapter 536 are nonseverable and if any of the powers vested
5 with the general assembly pursuant to chapter 536 to review, to
6 delay the effective date, or to disapprove and annul a rule are
7 subsequently held unconstitutional, then the grant of rulemaking
8 authority and any rule proposed or adopted after August 28, 2014,
9 shall be invalid and void.

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