

FIRST REGULAR SESSION
HOUSE COMMITTEE SUBSTITUTE FOR
SENATE BILL NO. 113
98TH GENERAL ASSEMBLY

0589H.02C

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal section 163.031 as enacted by house bill no. 1689, ninety-seventh general assembly, second regular session, and sections 30.750, 162.720, 170.011, 173.003, 173.051, 173.236, 173.239, 173.254, 173.260, 173.262, 173.616, 173.778, and 174.770, RSMo, and to enact in lieu thereof sixteen new sections relating to education, with a delayed effective date for a certain section.

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

Section A. Section 163.031, as enacted by house bill no. 1689, ninety-seventh general
2 assembly, second regular session, and sections 30.750, 162.720, 170.011, 173.003, 173.051,
3 173.236, 173.239, 173.254, 173.260, 173.262, 173.616, 173.778, and 174.770, RSMo, are
4 repealed and sixteen new sections enacted in lieu thereof, to be known as sections 30.750,
5 162.720, 163.031, 167.045, 170.011, 170.345, 173.003, 173.051, 173.236, 173.239, 173.254,
6 173.260, 173.262, 173.616, 173.778, and 174.770, to read as follows:

30.750. As used in sections 30.750 to 30.765, the following terms mean:

- 2 (1) "Eligible agribusiness", a person engaged in the processing or adding of value to
3 agricultural products produced in Missouri;
- 4 (2) "Eligible alternative energy consumer", an individual who wishes to borrow moneys
5 for the purchase, installation, or construction of facilities or equipment related to the production
6 of fuel or power primarily for the individual's own use from energy sources other than fossil
7 fuels, including but not limited to solar, hydroelectric, wind, and qualified biomass;
- 8 (3) "Eligible alternative energy operation", a business enterprise engaged in the
9 production of fuel or power from energy sources other than fossil fuels, including but not limited
10 to solar, hydroelectric, wind, and qualified biomass. Such business enterprise shall conform to
11 the characteristics of paragraphs (a), (b), and (d) of subdivision (6) of this section;

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

12 (4) "Eligible beginning farmer":

13 (a) For any beginning farmer who seeks to participate in the linked deposit program
14 alone, a farmer who:

15 a. Is a Missouri resident;

16 b. Wishes to borrow for a farm operation located in Missouri;

17 c. Is at least eighteen years old; and

18 d. In the preceding five years has not owned, either directly or indirectly, farm land
19 greater than fifty percent of the average size farm in the county where the proposed farm
20 operation is located or farm land with an appraised value greater than four hundred fifty thousand
21 dollars. A farmer who qualifies as an eligible farmer under this provision may utilize the
22 proceeds of a linked deposit loan to purchase agricultural land, farm buildings, new and used
23 farm equipment, livestock and working capital;

24 (b) For any beginning farmer who is participating in both the linked deposit program and
25 the beginning farmer loan program administered by the Missouri agriculture and small business
26 development authority, a farmer who:

27 a. Qualifies under the definition of a beginning farmer utilized for eligibility for federal
28 tax-exempt financing, including the limitations on the use of loan proceeds; and

29 b. Meets all other requirements established by the Missouri agriculture and small
30 business development authority;

31 (5) "Eligible facility borrower", a borrower qualified under section 30.860 to apply for
32 a reduced-rate loan under sections 30.750 to 30.765;

33 (6) "Eligible farming operation", any person engaged in farming in an authorized farm
34 corporation, family farm, or family farm corporation as defined in section 350.010 that has all
35 of the following characteristics:

36 (a) Is headquartered in this state;

37 (b) Maintains offices, operating facilities, or farming operations and transacts business
38 in this state;

39 (c) Employs less than ten employees;

40 (d) Is organized for profit;

41 (7) "Eligible governmental entity", any political subdivision of the state seeking to
42 finance capital improvements, capital outlay, or other significant programs through an eligible
43 lending institution;

44 (8) "Eligible higher education institution", any approved public or private institution as
45 defined in section [173.205] **173.1102**;

46 (9) "Eligible job enhancement business", a new, existing, or expanding firm operating
47 in Missouri, or as a condition of accepting the linked deposit, will locate a facility or office in

48 Missouri associated with said linked deposit, which employs ten or more employees in Missouri
49 on a yearly average and which, as nearly as possible, is able to establish or retain at least one job
50 in Missouri for each fifty thousand dollars received from a linked deposit loan except when the
51 applicant can demonstrate significant costs for equipment, capital outlay, or capital
52 improvements associated with the physical expansion, renovation, or modernization of a facility
53 or equipment. In such cases, the maximum amount of the linked deposit shall not exceed fifty
54 thousand dollars per job created or retained plus the initial cost of the physical expansion,
55 renovation or capital outlay;

56 (10) "Eligible lending institution", a financial institution that is eligible to make
57 commercial or agricultural or student loans or discount or purchase such loans, is a public
58 depository of state funds or obtains its funds through the issuance of obligations, either directly
59 or through a related entity, eligible for the placement of state funds under the provisions of
60 section 15, article IV, Constitution of Missouri, and agrees to participate in the linked deposit
61 program;

62 (11) "Eligible livestock operation", any person engaged in production of livestock or
63 poultry in an authorized farm corporation, family farm, or family farm corporation as defined in
64 section 350.010;

65 (12) "Eligible locally owned business", any person seeking to establish a new firm,
66 partnership, cooperative company, or corporation that shall retain at least fifty-one percent
67 ownership by residents in a county in which the business is headquartered, that consists of the
68 following characteristics:

69 (a) The county has a median population of twelve thousand five hundred or less; and

70 (b) The median income of residents in the county are equal to or less than the state
71 median income; or

72 (c) The unemployment rate of the county is equal to or greater than the state's
73 unemployment rate;

74 (13) "Eligible marketing enterprise", a business enterprise operating in this state which
75 is in the process of marketing its goods, products or services within or outside of this state or
76 overseas, which marketing is designed to increase manufacturing, transportation, mining,
77 communications, or other enterprises in this state, which has proposed its marketing plan and
78 strategy to the department of economic development and which plan and strategy has been
79 approved by the department for purposes of eligibility pursuant to sections 30.750 to 30.765.
80 Such business enterprise shall conform to the characteristics of paragraphs (a), (b) and (d) of
81 subdivision (6) of this section and also employ less than twenty-five employees;

82 (14) "Eligible multitenant development enterprise", a new enterprise that develops
83 multitenant space for targeted industries as determined by the department of economic

84 development and approved by the department for the purposes of eligibility pursuant to sections
85 30.750 to 30.765;

86 (15) "Eligible residential property developer", an individual who purchases and develops
87 a residential structure of either two or four units, if such residential property developer uses and
88 agrees to continue to use, for at least the five years immediately following the date of issuance
89 of the linked deposit loan, one of the units as his principal residence or if such person's principal
90 residence is located within one-half mile from the developed structure and such person agrees
91 to maintain the principal residence within one-half mile of the developed structure for at least
92 the five years immediately following the date of issuance of the linked deposit loan;

93 (16) "Eligible residential property owner", a person, firm or corporation who purchases,
94 develops or rehabilitates a multifamily residential structure;

95 (17) "Eligible small business", a person engaged in an activity with the purpose of
96 obtaining, directly or indirectly, a gain, benefit or advantage and which conforms to the
97 characteristics of paragraphs (a), (b) and (d) of subdivision (6) of this section, and also employs
98 less than one hundred employees;

99 (18) "Eligible student borrower", any person attending, or the parent of a dependent
100 undergraduate attending, an eligible higher education institution in Missouri who may or may
101 not qualify for need-based student financial aid calculated by the federal analysis called
102 Congressional Methodology Formula pursuant to 20 U.S.C. 1078, as amended (the Higher
103 Education Amendments of 1986);

104 (19) "Eligible water supply system", a water system which serves fewer than fifty
105 thousand persons and which is owned and operated by:

106 (a) A public water supply district established pursuant to chapter 247; or

107 (b) A municipality or other political subdivision; or

108 (c) A water corporation; and which is certified by the department of natural resources
109 in accordance with its rules and regulations to have suffered a significant decrease in its capacity
110 to meet its service needs as a result of drought;

111 (20) "Farming", using or cultivating land for the production of agricultural crops,
112 livestock or livestock products, forest products, poultry or poultry products, milk or dairy
113 products, or fruit or other horticultural products;

114 (21) "Linked deposit", a certificate of deposit, or in the case of production credit
115 associations, the subscription or purchase outright of obligations described in section 15, article
116 IV, Constitution of Missouri, placed by the state treasurer with an eligible lending institution at
117 rates otherwise provided by law in section 30.758, provided the institution agrees to lend the
118 value of such deposit, according to the deposit agreement provided in sections 30.750 to 30.765,
119 to eligible multitenant development enterprises, eligible small businesses, eligible alternative

120 energy operations, eligible alternative energy consumers, eligible locally owned businesses,
121 farming operations, eligible job enhancement businesses, eligible marketing enterprises, eligible
122 residential property developers, eligible residential property owners, eligible governmental
123 entities, eligible agribusinesses, eligible beginning farmers, eligible livestock operations, eligible
124 student borrowers, eligible facility borrowers, or eligible water supply systems at below the
125 present borrowing rate applicable to each multitenant development enterprise, small business,
126 alternative energy operation, alternative energy consumer, farming operation, eligible job
127 enhancement business, eligible marketing enterprise, eligible residential property developer,
128 eligible residential property owner, eligible governmental entity, eligible agribusiness, eligible
129 beginning farmer, eligible livestock operation, eligible student borrower, or supply system at the
130 time of the deposit of state funds in the institution;

131 (22) "Market rate", the interest rate more specifically described in subsection 6 of section
132 30.260;

133 (23) "Professional forester", any individual who holds a bachelor of science degree in
134 forestry from a regionally accredited college or university with a minimum of two years of
135 professional forest management experience;

136 (24) "Qualified biomass", any agriculture-derived organic material or any wood-derived
137 organic material harvested in accordance with a site-specific forest management plan focused
138 on long-term forest sustainability developed by a professional forester and qualified, in
139 consultation with the conservation commission, by the agriculture and small business
140 development authority;

141 (25) "Water corporation", as such term is defined in section 386.020;

142 (26) "Water system", as such term is defined in section 386.020.

162.720. 1. Where a sufficient number of children are determined to be gifted and their
2 development requires programs or services beyond the level of those ordinarily provided in
3 regular public school programs, districts may establish special programs for such gifted children.

4 2. The state board of education shall determine standards for such programs. Approval
5 of such programs shall be made by the state department of elementary and secondary education
6 based upon project applications submitted by July fifteenth of each year.

7 **3. No district shall make a determination as to whether a child is gifted based on**
8 **the child's participation in an advanced placement course or international baccalaureate**
9 **course. Districts shall only determine a child is gifted if the child meets the definition of**
10 **"gifted children" as provided in section 162.675.**

163.031. 1. The department of elementary and secondary education shall calculate and
2 distribute to each school district qualified to receive state aid under section 163.021 an amount
3 determined by multiplying the district's weighted average daily attendance by the state adequacy

4 target, multiplying this product by the dollar value modifier for the district, and subtracting from
5 this product the district's local effort and, in years not governed under subsection 4 of this
6 section, subtracting payments from the classroom trust fund under section 163.043.

7 2. Other provisions of law to the contrary notwithstanding:

8 (1) For districts with an average daily attendance of more than three hundred fifty in the
9 school year preceding the payment year:

10 (a) For the 2006-07 school year, the state revenue per weighted average daily attendance
11 received by a district from the state aid calculation under subsections 1 and 4 of this section, as
12 applicable, and the classroom trust fund under section 163.043 shall not be less than the state
13 revenue received by a district in the 2005-06 school year from the foundation formula, line 14,
14 gifted, remedial reading, exceptional pupil aid, fair share, and free textbook payment amounts
15 multiplied by the sum of one plus the product of one-third multiplied by the remainder of the
16 dollar value modifier minus one, and dividing this product by the weighted average daily
17 attendance computed for the 2005-06 school year;

18 (b) For the 2007-08 school year, the state revenue per weighted average daily attendance
19 received by a district from the state aid calculation under subsections 1 and 4 of this section, as
20 applicable, and the classroom trust fund under section 163.043 shall not be less than the state
21 revenue received by a district in the 2005-06 school year from the foundation formula, line 14,
22 gifted, remedial reading, exceptional pupil aid, fair share, and free textbook payment amounts
23 multiplied by the sum of one plus the product of two-thirds multiplied by the remainder of the
24 dollar value modifier minus one, and dividing this product by the weighted average daily
25 attendance computed for the 2005-06 school year;

26 (c) For the 2008-09 school year, the state revenue per weighted average daily attendance
27 received by a district from the state aid calculation under subsections 1 and 4 of this section, as
28 applicable, and the classroom trust fund under section 163.043 shall not be less than the state
29 revenue received by a district in the 2005-06 school year from the foundation formula, line 14,
30 gifted, remedial reading, exceptional pupil aid, fair share, and free textbook payment amounts
31 multiplied by the dollar value modifier, and dividing this product by the weighted average daily
32 attendance computed for the 2005-06 school year;

33 (d) For each year subsequent to the 2008-09 school year, the amount shall be no less than
34 that computed in paragraph (c) of this subdivision, multiplied by the weighted average daily
35 attendance pursuant to section 163.036, less any increase in revenue received from the classroom
36 trust fund under section 163.043;

37 (2) For districts with an average daily attendance of three hundred fifty or less in the
38 school year preceding the payment year:

39 (a) For the 2006-07 school year, the state revenue received by a district from the state
40 aid calculation under subsections 1 and 4 of this section, as applicable, and the classroom trust
41 fund under section 163.043 shall not be less than the greater of state revenue received by a
42 district in the 2004-05 or 2005-06 school year from the foundation formula, line 14, gifted,
43 remedial reading, exceptional pupil aid, fair share, and free textbook payment amounts
44 multiplied by the sum of one plus the product of one-third multiplied by the remainder of the
45 dollar value modifier minus one;

46 (b) For the 2007-08 school year, the state revenue received by a district from the state
47 aid calculation under subsections 1 and 4 of this section, as applicable, and the classroom trust
48 fund under section 163.043 shall not be less than the greater of state revenue received by a
49 district in the 2004-05 or 2005-06 school year from the foundation formula, line 14, gifted,
50 remedial reading, exceptional pupil aid, fair share, and free textbook payment amounts
51 multiplied by the sum of one plus the product of two-thirds multiplied by the remainder of the
52 dollar value modifier minus one;

53 (c) For the 2008-09 school year, the state revenue received by a district from the state
54 aid calculation under subsections 1 and 4 of this section, as applicable, and the classroom trust
55 fund under section 163.043 shall not be less than the greater of state revenue received by a
56 district in the 2004-05 or 2005-06 school year from the foundation formula, line 14, gifted,
57 remedial reading, exceptional pupil aid, fair share, and free textbook payment amounts
58 multiplied by the dollar value modifier;

59 (d) For each year subsequent to the 2008-09 school year, the amount shall be no less than
60 that computed in paragraph (c) of this subdivision;

61 (3) The department of elementary and secondary education shall make an addition in the
62 payment amount specified in subsection 1 of this section to assure compliance with the
63 provisions contained in this subsection.

64 3. School districts that meet the requirements of section 163.021 shall receive categorical
65 add-on revenue as provided in this subsection. The categorical add-on for the district shall be
66 the sum of: seventy-five percent of the district allowable transportation costs under section
67 163.161; the career ladder entitlement for the district, as provided for in sections 168.500 to
68 168.515; the vocational education entitlement for the district, as provided for in section 167.332;
69 and the district educational and screening program entitlements as provided for in sections
70 178.691 to 178.699. The categorical add-on revenue amounts may be adjusted to accommodate
71 available appropriations.

72 4. In the 2006-07 school year and each school year thereafter for five years, those
73 districts entitled to receive state aid under the provisions of subsection 1 of this section shall
74 receive state aid in an amount as provided in this subsection.

75 (1) For the 2006-07 school year, the amount shall be fifteen percent of the amount of
76 state aid calculated for the district for the 2006-07 school year under the provisions of subsection
77 1 of this section, plus eighty-five percent of the total amount of state revenue received by the
78 district for the 2005-06 school year from the foundation formula, line 14, gifted, remedial
79 reading, exceptional pupil aid, fair share, and free textbook payments less any amounts received
80 under section 163.043.

81 (2) For the 2007-08 school year, the amount shall be thirty percent of the amount of state
82 aid calculated for the district for the 2007-08 school year under the provisions of subsection 1
83 of this section, plus seventy percent of the total amount of state revenue received by the district
84 for the 2005-06 school year from the foundation formula, line 14, gifted, remedial reading,
85 exceptional pupil aid, fair share, and free textbook payments less any amounts received under
86 section 163.043.

87 (3) For the 2008-09 school year, the amount of state aid shall be forty-four percent of the
88 amount of state aid calculated for the district for the 2008-09 school year under the provisions
89 of subsection 1 of this section plus fifty-six percent of the total amount of state revenue received
90 by the district for the 2005-06 school year from the foundation formula, line 14, gifted, remedial
91 reading, exceptional pupil aid, fair share, and free textbook payments less any amounts received
92 under section 163.043.

93 (4) For the 2009-10 school year, the amount of state aid shall be fifty-eight percent of
94 the amount of state aid calculated for the district for the 2009-10 school year under the provisions
95 of subsection 1 of this section plus forty-two percent of the total amount of state revenue
96 received by the district for the 2005-06 school year from the foundation formula, line 14, gifted,
97 remedial reading, exceptional pupil aid, fair share, and free textbook payments less any amounts
98 received under section 163.043.

99 (5) For the 2010-11 school year, the amount of state aid shall be seventy-two percent of
100 the amount of state aid calculated for the district for the 2010-11 school year under the provisions
101 of subsection 1 of this section plus twenty-eight percent of the total amount of state revenue
102 received by the district for the 2005-06 school year from the foundation formula, line 14, gifted,
103 remedial reading, exceptional pupil aid, fair share, and free textbook payments less any amounts
104 received under section 163.043.

105 (6) For the 2011-12 school year, the amount of state aid shall be eighty-six percent of
106 the amount of state aid calculated for the district for the 2011-12 school year under the provisions
107 of subsection 1 of this section plus fourteen percent of the total amount of state revenue received
108 by the district for the 2005-06 school year from the foundation formula, line 14, gifted, remedial
109 reading, exceptional pupil aid, fair share, and free textbook payments less any amounts received
110 under section 163.043.

111 (7) (a) [a.] For the 2006-07 school year, if a school district experiences a decrease in
112 summer school average daily attendance of more than twenty percent from the district's 2005-06
113 summer school average daily attendance, an amount equal to the product of the percent reduction
114 that is in excess of twenty percent of the district's summer school average daily attendance
115 multiplied by the funds generated by the district's summer school program in the 2005-06 school
116 year shall be subtracted from the district's current year payment amount.

117 [b.] (b) For the 2007-08 school year, if a school district experiences a decrease in
118 summer school average daily attendance of more than thirty percent from the district's 2005-06
119 summer school average daily attendance, an amount equal to the product of the percent reduction
120 that is in excess of thirty percent of the district's summer school average daily attendance
121 multiplied by the funds generated by the district's summer school program in the 2005-06 school
122 year shall be subtracted from the district's payment amount.

123 [c.] (c) For the 2008-09 school year, if a school district experiences a decrease in summer
124 school average daily attendance of more than thirty-five percent from the district's 2005-06
125 summer school average daily attendance, an amount equal to the product of the percent reduction
126 that is in excess of thirty-five percent of the district's summer school average daily attendance
127 multiplied by the funds generated by the district's summer school program in the 2005-06 school
128 year shall be subtracted from the district's payment amount.

129 [d.] (d) Notwithstanding the provisions of this [paragraph] **subdivision**, no such
130 reduction shall be made in the case of a district that is receiving a payment under section 163.044
131 or any district whose regular school term average daily attendance for the preceding year was
132 three hundred fifty or less.

133 [e.] (e) This [paragraph] **subdivision** shall not be construed to permit any reduction
134 applied under this [paragraph] **subdivision** to result in any district receiving a current-year
135 payment that is less than the amount calculated for such district under subsection 2 of this
136 section.

137 [(b) If a school district experiences a decrease in its gifted program enrollment of more
138 than twenty percent from its 2005-06 gifted program enrollment in any year governed by this
139 subsection, an amount equal to the product of the percent reduction in the district's gifted
140 program enrollment multiplied by the funds generated by the district's gifted program in the
141 2005-06 school year shall be subtracted from the district's current year payment amount.]

142 5. For any school district meeting the eligibility criteria for state aid as established in
143 section 163.021, but which is considered an option district under section 163.042 and therefore
144 receives no state aid, the commissioner of education shall present a plan to the superintendent
145 of the school district for the waiver of rules and the duration of said waivers, in order to promote

146 flexibility in the operations of the district and to enhance and encourage efficiency in the delivery
147 of instructional services as provided in section 163.042.

148 6. (1) No less than seventy-five percent of the state revenue received under the
149 provisions of subsections 1, 2, and 4 of this section shall be placed in the teachers' fund, and the
150 remaining percent of such moneys shall be placed in the incidental fund. No less than seventy-
151 five percent of one-half of the funds received from the school district trust fund distributed under
152 section 163.087 shall be placed in the teachers' fund. One hundred percent of revenue received
153 under the provisions of section 163.161 shall be placed in the incidental fund. One hundred
154 percent of revenue received under the provisions of sections 168.500 to 168.515 shall be placed
155 in the teachers' fund.

156 (2) A school district shall spend for certificated compensation and tuition expenditures
157 each year:

158 (a) An amount equal to at least seventy-five percent of the state revenue received under
159 the provisions of subsections 1, 2, and 4 of this section;

160 (b) An amount equal to at least seventy-five percent of one-half of the funds received
161 from the school district trust fund distributed under section 163.087 during the preceding school
162 year; and

163 (c) Beginning in fiscal year 2008, as much as was spent per the second preceding year's
164 weighted average daily attendance for certificated compensation and tuition expenditures the
165 previous year from revenue produced by local and county tax sources in the teachers' fund, plus
166 the amount of the incidental fund to teachers' fund transfer calculated to be local and county tax
167 sources by dividing local and county tax sources in the incidental fund by total revenue in the
168 incidental fund.

169

170 In the event a district fails to comply with this provision, the amount by which the district fails
171 to spend funds as provided herein shall be deducted from the district's state revenue received
172 under the provisions of subsections 1, 2, and 4 of this section for the following year, provided
173 that the state board of education may exempt a school district from this provision if the state
174 board of education determines that circumstances warrant such exemption.

175 7. (1) If a school district's annual audit discloses that students were inappropriately
176 identified as eligible for free and reduced lunch, special education, or limited English proficiency
177 and the district does not resolve the audit finding, the department of elementary and secondary
178 education shall require that the amount of aid paid pursuant to the weighting for free and reduced
179 lunch, special education, or limited English proficiency in the weighted average daily attendance
180 on the inappropriately identified pupils be repaid by the district in the next school year and shall
181 additionally impose a penalty of one hundred percent of such aid paid on such pupils, which

182 penalty shall also be paid within the next school year. Such amounts may be repaid by the
183 district through the withholding of the amount of state aid.

184 **(2) Beginning in the 2016-2017 school year and in each school year after that, if a**
185 **district experiences a decrease in its gifted program enrollment of twenty percent or more**
186 **from the previous school year, an amount equal to the product of the difference between**
187 **the number of students enrolled in the gifted program in the current school year and the**
188 **number of students enrolled in the gifted program in the previous school year multiplied**
189 **by six hundred eighty dollars shall be subtracted from the district's current year payment**
190 **amount.**

191 8. Notwithstanding any provision of law to the contrary, in any fiscal year during which
192 the total formula appropriation is insufficient to fully fund the entitlement calculation of this
193 section, the department of elementary and secondary education shall adjust the state adequacy
194 target in order to accommodate the appropriation level for the given fiscal year. In no manner
195 shall any payment modification be rendered for any district qualified to receive payments under
196 subsection 2 of this section based on insufficient appropriations.

167.045. 1. Except as provided in subsection 4 of this section, a public school that
2 **participates in an activity sponsored by the Missouri State High School Activities**
3 **Association (MSHSAA) shall provide a student that attends a home school, as defined in**
4 **section 167.031, who resides in the public school's attendance area with the opportunity**
5 **to participate in the activity on behalf of the public school in the same manner that the**
6 **public school provides the opportunity to participate to students enrolled in the public**
7 **school.**

8 **2. A home school student who seeks to participate or who participates in a**
9 **MSHSAA activity on behalf of a public school is subject to the relevant policies that apply**
10 **to students enrolled in the public school, including policies regarding registration, age**
11 **eligibility, fees, insurance, transportation, physical condition, qualifications,**
12 **responsibilities, event schedules, standards of behavior, and performance.**

13 **3. As a condition of participation by a home school student in a MSHSAA activity**
14 **under this section, the individual who primarily provides instruction to the student shall**
15 **submit a written verification to the public school indicating whether the student is:**

16 **(1) Receiving a passing grade in each course or subject taught; and**

17 **(2) Maintaining satisfactory progress towards academic advancement or**
18 **promotion.**

19 **4. A home school student is not authorized by this section to participate in a**
20 **MSHSAA activity during the remainder of any school year during which the student was**
21 **previously enrolled in a public school.**

22 **5. The MSHSAA may not prohibit a home school student from participating in**
23 **activities in the manner authorized by this section.**

170.011. 1. Regular courses of instruction in the Constitution of the United States and
2 of the state of Missouri and in American history and institutions shall be given in all public and
3 private schools in the state of Missouri, except privately operated trade schools, and shall begin
4 not later than the seventh grade and continue in high school to an extent determined by the state
5 commissioner of education, and shall continue in college and university courses to an extent
6 determined by the state commissioner of higher education. In the 1990-91 school year and each
7 year thereafter, local school districts maintaining high schools shall comply with the provisions
8 of this section by offering in grade nine, ten, eleven, or twelve a course of instruction in the
9 institutions, branches and functions of the government of the state of Missouri, including local
10 governments, and of the government of the United States, and in the electoral process. A local
11 school district maintaining such a high school shall require that prior to the completion of the
12 twelfth grade each pupil who receives a high school diploma or certificate of graduation on or
13 after January 1, 1994, shall satisfactorily complete such a course of study. Such course shall be
14 of at least one semester in length and may be two semesters in length. The department of
15 elementary and secondary education may provide assistance in developing such a course if the
16 district requests assistance. A school district may elect to waive the requirements of this
17 subsection for any student who transfers from outside the state to a Missouri high school if the
18 student can furnish documentation deemed acceptable by the school district of the student's
19 successful completion in any year from the ninth through the twelfth grade of a course of
20 instruction in the institutions, branches, and functions of state government, including local
21 governments, and of the government of the United States, and in the electoral process.

22 **2. A student of a college or university, who, after having earned a passing grade in**
23 **a course of instruction prescribed in this section, transfers to another college or university,**
24 **is not required to earn a passing grade in another such course as a condition precedent to**
25 **his or her graduation from the college or university.**

26 **3.** American history courses at the elementary and secondary levels shall include in their
27 proper time-line sequence specific referrals to the details and events of the racial equality
28 movement that have caused major changes in United States and Missouri laws and attitudes.

29 [3.] **4.** [No pupil shall receive a certificate of graduation from any public or private school
30 other than private trade schools unless he has satisfactorily passed an examination on the
31 provisions and principles of the Constitution of the United States and of the state of Missouri,
32 and in American history and American institutions. A school district may elect to waive the
33 requirements of this subsection for any student who transfers from outside the state to a Missouri
34 high school if the student can furnish documentation deemed acceptable by the school district

35 of the student's successful completion in any year from the ninth through the twelfth grade of a
36 course of instruction in the institutions, branches, and functions of state government, including
37 local governments, and of the government of the United States, and in the electoral process. A
38 student of a college or university, who, after having completed a course of instruction prescribed
39 in this section and successfully passed an examination on the United States Constitution, and in
40 American history and American institutions required hereby, transfers to another college or
41 university, is not required to complete another such course or pass another such examination as
42 a condition precedent to his graduation from the college or university.] **To receive a certificate
43 of graduation, public or private schools other than private trade schools may require a
44 passing score on an examination of the provisions and principles of the Constitution of the
45 United States, the Constitution of the state of Missouri, or both the Constitution of the
46 United States and of the state of Missouri.**

47 [4.] **5.** In the 1990-91 school year and each year thereafter, each school district
48 maintaining a high school may annually nominate to the state board of education a student who
49 has demonstrated knowledge of the principles of government and citizenship through academic
50 achievement, participation in extracurricular activities, and service to the community. Annually,
51 the state board of education shall select fifteen students from those nominated by the local school
52 districts and shall recognize and award them for their academic achievement, participation and
53 service.

54 [5.] **6.** The provisions of this section shall not apply to students from foreign countries
55 who are enrolled in public or private high schools in Missouri, if such students are foreign
56 exchange students sponsored by a national organization recognized by the department of
57 elementary and secondary education.

**170.345. 1. This section shall be known as the "Missouri Civics Education
2 Initiative".**

3 **2. Any student entering ninth grade after July 1, 2016, who is attending any public,
4 charter, or private school except private trade schools, or a student seeking to complete a
5 high school equivalency certificate shall, as a condition of high school graduation or its
6 equivalent, take and receive a passing grade on a basic civics test similar to the civics
7 portion of the United States Naturalization test, produced by the United States Citizenship
8 and Immigration Services (USCIS).**

9 **3. The test required under subsection 2 of this section shall consist of questions
10 similar to the one hundred questions used by the USCIS that are administered to
11 applicants for United States citizenship. The school district shall choose the number of
12 questions for the test. In order to receive a passing score on the test, a student shall answer
13 at least sixty percent of the questions correctly.**

14 **4. Any student may take the test as many times as necessary for passage but shall**
15 **receive a passing score prior to receiving a high school diploma, a certificate of high school**
16 **graduation, or a high school equivalency certificate.**

17 **5. Every public school, charter school, private school except private trade schools,**
18 **and the department of elementary and secondary education shall certify that a student has**
19 **taken and received a passing grade on the test.**

20 **6. Each school district shall adopt a policy to permit the waiver of the requirements**
21 **of this section for any student with a disability if recommended by the student’s IEP**
22 **committee. For purposes of this subsection, “IEP” means individualized education**
23 **program.**

 173.003. Retirement, severance and associated salary continuance policies and plans of
2 approved public institutions, as defined in section [173.205] **173.1102**, shall be applied
3 uniformly, consistently and fairly to all similarly situated officials and employees of such
4 approved public institutions; and no employee or official shall be singled out for retirement or
5 severance benefits which are inconsistent with the formally adopted policies and plans of such
6 approved public institutions.

 173.051. 1. The coordinating board for higher education may submit requests for
2 appropriations for the purposes of the coordinating board contracting with Missouri independent
3 colleges and universities or publicly supported higher education institutions or coordinating
4 agencies located outside the state of Missouri to provide professional or graduate programs of
5 instruction for Missouri citizens or research services for the state of Missouri. At the time of
6 submission for appropriations, the coordinating board shall demonstrate to the general assembly
7 that the program or service fulfills a state manpower or research need that is not available in
8 Missouri's public universities in the area in which such is located. Such agreements or contracts
9 shall be entered into and approved as otherwise provided by law.

10 2. A Missouri independent college or university to be eligible to enter into such a
11 contract shall be designated as an approved private institution as defined in the provisions of
12 section [173.205] **173.1102**. Publicly supported institutions of higher education located outside
13 the state of Missouri shall possess the equivalent approval of what would be required if such
14 institutions were located in this state.

15 3. Nothing in this section shall be construed so as to prohibit the coordinating board for
16 higher education from approving the development of a new program of instruction at a public
17 college or university if in the judgment of the coordinating board the development of a new
18 program is in the best educational and fiscal interests of the state of Missouri.

 173.236. 1. As used in this section, unless the context clearly requires otherwise, the
2 following terms mean:

- 3 (1) "Board", the coordinating board for higher education;
- 4 (2) "Grant", the Vietnam veteran's survivors grant as established in this section;
- 5 (3) "Institution of postsecondary education", any approved public or private institution
6 as defined in section [173.205] **173.1102**;
- 7 (4) "Survivor", a child or spouse of a Vietnam veteran as defined in this section;
- 8 (5) "Tuition", any tuition or incidental fee or both charged by an institution of
9 postsecondary education, as defined in this section, for attendance at the institution by a student
10 as a resident of this state;
- 11 (6) "Vietnam veteran", a person who served in the military in Vietnam or the war zone
12 in Southeast Asia and to whom the following criteria shall apply:
- 13 (a) The veteran was a Missouri resident when first entering the military service and at
14 the time of death;
- 15 (b) The veteran's death was attributable to illness that could possibly be a result of
16 exposure to toxic chemicals during the Vietnam Conflict; and
- 17 (c) The veteran served in the Vietnam theater between 1961 and 1972.
- 18 2. Within the limits of the amounts appropriated therefor, the coordinating board for
19 higher education shall award annually up to twelve grants to survivors of Vietnam veterans to
20 attend institutions of postsecondary education in this state. If the waiting list of eligible
21 survivors exceeds fifty, the coordinating board may petition the general assembly to expand the
22 quota. If the quota is not expanded the eligibility of survivors on the waiting list shall be
23 extended.
- 24 3. A survivor may receive a grant pursuant to this section only so long as the survivor
25 is enrolled in a program leading to a certificate, or an associate or baccalaureate degree. In no
26 event shall a survivor receive a grant beyond the completion of the first baccalaureate degree,
27 regardless of age. No survivor shall receive more than one hundred percent of tuition when
28 combined with similar funds made available to such survivor.
- 29 4. The coordinating board for higher education shall:
- 30 (1) Promulgate all necessary rules and regulations for the implementation of this section;
- 31 (2) Determine minimum standards of performance in order for a survivor to remain
32 eligible to receive a grant under this program;
- 33 (3) Make available on behalf of a survivor an amount toward the survivor's tuition which
34 is equal to the grant to which the survivor is entitled under the provisions of this section;
- 35 (4) Provide the forms and determine the procedures necessary for a survivor to apply for
36 and receive a grant under this program.
- 37 5. In order to be eligible to receive a grant pursuant to this section, a survivor shall be
38 certified as eligible by a Missouri state veterans service officer. Such certification shall be made

39 upon qualified medical certification by a Veterans Administration medical authority that
40 exposure to toxic chemicals contributed to or was the cause of death of the veteran, as defined
41 in subsection 1 of this section.

42 6. A survivor who is enrolled or has been accepted for enrollment as an undergraduate
43 postsecondary student at an approved institution of postsecondary education shall receive a grant
44 in an amount not to exceed the least of the following:

45 (1) The actual tuition, as defined in this section, charged at an approved institution where
46 the child is enrolled or accepted for enrollment; or

47 (2) The average amount of tuition charged a Missouri resident at the institutions
48 identified in section 174.020 for attendance as a full-time student, as defined in section [173.205]
49 **173.1102.**

50 7. A survivor who is a recipient of a grant may transfer from one approved public or
51 private institution of postsecondary education to another without losing his entitlement under this
52 section. The board shall make necessary adjustments in the amount of the grant. If a grant
53 recipient at any time withdraws from the institution of postsecondary education so that under the
54 rules and regulations of that institution he is entitled to a refund of any tuition, fees, or other
55 charges, the institution shall pay the portion of the refund to which he is entitled attributable to
56 the grant for that semester or similar grading period to the board.

57 8. If a survivor is granted financial assistance under any other student aid program,
58 public or private, the full amount of such aid shall be reported to the board by the institution and
59 the eligible survivor.

60 9. Nothing in this section shall be construed as a promise or guarantee that a person will
61 be admitted to an institution of postsecondary education or to a particular institution of
62 postsecondary education, will be allowed to continue to attend an institution of postsecondary
63 education after having been admitted, or will be graduated from an institution of postsecondary
64 education.

65 10. The benefits conferred by this section shall be available to any academically qualified
66 surviving children and spouses of Vietnam veterans as defined in subsection 1 of this section,
67 regardless of the survivor's age, until December 31, 1995. After December 31, 1995, the benefits
68 conferred by this section shall not be available to such persons who are twenty-five years of age
69 or older, except spouses will remain eligible until the fifth anniversary after the death of the
70 veteran.

71 11. This section shall expire on December 31, 2015.

173.239. 1. Any member of the Missouri national guard who possesses the
2 qualifications set forth in this section may be awarded an educational assistance grant to an
3 approved public institution or an approved private institution, as those terms are defined in either

4 section [173.205] **173.1102** or section 173.778, of his or her choice while he or she is a member
5 of the Missouri national guard. Funding for educational assistance pursuant to this section may
6 be requested annually in the budget of the Missouri national guard. Educational assistance
7 provided pursuant to this section shall not exceed funds appropriated for that purpose.

8 2. Educational assistance provided under this section shall not exceed the least of the
9 following:

10 (1) The actual tuition, as defined in section 173.260, charged at an approved institution
11 where the individual is enrolled or accepted for enrollment; or

12 (2) The amount of tuition charged a Missouri resident at the University of Missouri for
13 attendance;

14 (3) .

15

16 The grants provided under this section may be prorated subject to appropriations in an amount
17 no less than fifty percent of the limits set forth in this section.

18 3. A member of the Missouri national guard seeking educational assistance pursuant to
19 this section shall provide a certificate of satisfactory service of his or her Missouri national guard
20 duties from his or her commanding officer and shall possess all other necessary entrance
21 requirements of the school of his or her choice and shall maintain a cumulative grade point
22 average (GPA) of at least two point five on a four point scale, or the equivalent on another scale
23 approved by the program administrator, while attending the approved public or private
24 institution.

25 4. If the grade point average of a member who is receiving educational assistance
26 pursuant to this section falls below two point five on a four point scale, or the equivalent on
27 another scale, such member shall retain the educational assistance and shall be placed on
28 probation under the educational assistance program. Failure to achieve a current grade point
29 average of at least two point five on a four point scale or the equivalent on another scale for
30 future semesters or equivalent academic terms shall result in termination of the scholarship
31 effective as of the next academic term. The member shall be removed from probation status
32 upon achieving a cumulative grade point average of two point five on a four point scale or the
33 equivalent on another scale.

34 5. If a recipient of educational assistance pursuant to this section ceases to maintain their
35 active military affiliation while enrolled in an academic semester or term for any reason except
36 death, disability, or medical disqualification the educational assistance shall be terminated and
37 the recipient shall repay any amounts awarded for the academic semester or term.

38 6. Applicants for educational assistance pursuant to this section shall meet the
39 qualifications established by section [173.215] **173.1104**, except the provisions of [subdivisions]

40 **subdivision** (2) [and (4)] of subsection 1 of section [173.215] **173.1104**, and shall be qualified,
41 full-time or part-time students.

42 7. The educational assistance program established pursuant to this section shall be
43 administered by the office of the adjutant general of the Missouri national guard. The Missouri
44 national guard shall establish guidelines for equitable administrative distribution of educational
45 assistance.

173.254. 1. There is hereby established the "Kids' Chance Scholarship Program", to
2 provide scholarships for the children of workers who were seriously injured or died in a
3 work-related accident or occupational disease covered by workers' compensation and
4 compensable pursuant to chapter 287 to attend a college, university or accredited vocational
5 institution of their choice pursuant to the provisions of this section.

6 2. The definitions of terms set forth in section [173.205] **173.1102** shall be applicable
7 to such terms as used in this section. **For purposes of this section and chapter 173, the term**
8 **“financial need” shall mean the difference between the financial resources available to an**
9 **applicant, as determined by the coordinating board, and the applicant's anticipated**
10 **expenses, including tuition, mandatory fees, and board and room while attending an**
11 **approved private or public institution of postsecondary education. In determining need**
12 **the coordinating board shall employ a formula similar to nationally recognized**
13 **comprehensive mechanisms for determining need, such as those of the American College**
14 **Testing Program or the College Scholarship Service.**

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

17 (1) Promulgate reasonable rules for the exercise of its functions and the effectuation of
18 the purposes of this section;

19 (2) Prescribe the form and the time and method of awarding the scholarships after
20 reasonably considering the recommendations, if any, of the board of directors of KIDS'
21 CHANCE Inc. of Missouri, and shall supervise the processing thereof; and

22 (3) Select qualified recipients to receive the scholarships, make such awards of
23 scholarships to qualified recipients and determine the use, the manner and the method of
24 payment to the recipient after reasonably considering the recommendations, if any, of the board
25 of directors of KIDS' CHANCE Inc. of Missouri.

26 4. A student shall be eligible for an initial or renewed scholarship if, at the time of
27 application and throughout the period during which the student is receiving such assistance, he
28 or she is a part-time or full-time student who:

29 (1) Is at least seventeen and not more than twenty-two years of age;

30 (2) Is a Missouri citizen;

31 (3) Is a child of an employee who was seriously injured or died in a work-related
32 accident or occupational disease covered by workers' compensation and compensable pursuant
33 to chapter 287;

34 (4) Is enrolled, or has been accepted for enrollment, as a student in a private or public
35 institution in Missouri or an accredited vocational institution in Missouri; and

36 (5) Establishes financial need.

37 5. A recipient of a scholarship awarded pursuant to the provisions of this section may
38 transfer from one public or private institution in Missouri or accredited vocational institution in
39 Missouri to another without losing eligibility for the scholarship. If a recipient of the scholarship
40 at any time withdraws from a private or public institution in Missouri or accredited vocational
41 institution in Missouri so that under the rules and regulations of that institution he or she is
42 entitled to a refund of any tuition, fees or other charges, the institution shall pay the portion of
43 the refund attributable to the scholarship for that term to the department of higher education for
44 deposit in this program.

45 6. The provisions of sections 173.254 to 173.258 shall only apply to moneys received
46 by the kids' chance scholarship fund or program pursuant to section 173.258 and shall not apply
47 to any moneys received by the kids' chance scholarship fund or program from sources other than
48 the state.

49 7. Scholarships provided pursuant to the provisions of sections 173.254 to 173.258 shall
50 not exceed the least of the following:

51 (1) The actual tuition, as defined in section 173.260, charged at an approved institution
52 pursuant to this section where the individual is enrolled or accepted for enrollment; or

53 (2) The amount of tuition charged a Missouri resident at the University of Missouri for
54 attendance.

55 8. No rule or portion of a rule promulgated pursuant to the authority of this section shall
56 become effective unless it has been promulgated pursuant to the provisions of chapter 536.

173.260. 1. As used in this section, unless the context clearly requires otherwise, the
2 following terms mean:

3 (1) "Board", the coordinating board for higher education;

4 (2) "Eligible child", the natural, adopted or stepchild of a public safety officer or
5 employee, as defined in this section, who is less than twenty-four years of age and who is a
6 dependent of a public safety officer or employee or was a dependent at the time of death or
7 permanent and total disability of a public safety officer or employee;

8 (3) "Employee", any full-time employee of the department of transportation engaged in
9 the construction or maintenance of the state's highways, roads and bridges;

10 (4) "Grant", the public safety officer or employee survivor grant as established by this
11 section;

12 (5) "Institution of postsecondary education", any approved public or private institution
13 as defined in section [173.205] **173.1102**;

14 (6) "Line of duty", any action of a public safety officer, whose primary function is crime
15 control or reduction, enforcement of the criminal law, or suppression of fires, is authorized or
16 obligated by law, rule, regulation or condition of employment or service to perform;

17 (7) "Public safety officer", any firefighter, police officer, capitol police officer, parole
18 officer, probation officer, state correctional employee, water safety officer, park ranger,
19 conservation officer or highway patrolman employed by the state of Missouri or a political
20 subdivision thereof who is killed or permanently and totally disabled in the line of duty;

21 (8) "Permanent and total disability", a disability which renders a person unable to engage
22 in any gainful work;

23 (9) "Spouse", the husband, wife, widow or widower of a public safety officer or
24 employee at the time of death or permanent and total disability of such public safety officer;

25 (10) "Tuition", any tuition or incidental fee or both charged by an institution of
26 postsecondary education, as defined in this section, for attendance at that institution by a student
27 as a resident of this state.

28 2. Within the limits of the amounts appropriated therefor, the coordinating board for
29 higher education shall provide, as defined in this section, a grant for either of the following to
30 attend an institution of postsecondary education:

31 (1) An eligible child of a public safety officer or employee killed or permanently and
32 totally disabled in the line of duty; or

33 (2) A spouse of a public safety officer killed or permanently and totally disabled in the
34 line of duty.

35 3. An eligible child or spouse may receive a grant under this section only so long as the
36 child or spouse is enrolled in a program leading to a certificate, or an associate or baccalaureate
37 degree. In no event shall a child or spouse receive a grant beyond the completion of the first
38 baccalaureate degree or, in the case of a child, age twenty-four years, except that the child may
39 receive a grant through the completion of the semester or similar grading period in which the
40 child reaches his twenty-fourth year. No child or spouse shall receive more than one hundred
41 percent of tuition when combined with similar funds made available to such child or spouse.

42 4. The coordinating board for higher education shall:

43 (1) Promulgate all necessary rules and regulations for the implementation of this section;

44 (2) Determine minimum standards of performance in order for a child or spouse to
45 remain eligible to receive a grant under this program;

46 (3) Make available on behalf of an eligible child or spouse an amount toward the child's
47 or spouse's tuition which is equal to the grant to which the child or spouse is entitled under the
48 provisions of this section;

49 (4) Provide the forms and determine the procedures necessary for an eligible child or
50 spouse to apply for and receive a grant under this program.

51 5. An eligible child or spouse who is enrolled or has been accepted for enrollment as an
52 undergraduate postsecondary student at an approved institution of postsecondary education shall
53 receive a grant in an amount not to exceed the least of the following:

54 (1) The actual tuition, as defined in this section, charged at an approved institution where
55 the child or spouse is enrolled or accepted for enrollment; or

56 (2) The amount of tuition charged a Missouri resident at the University of Missouri for
57 attendance as a full-time student, as defined in section [173.205] **173.1102**.

58 6. An eligible child or spouse who is a recipient of a grant may transfer from one
59 approved public or private institution of postsecondary education to another without losing his
60 entitlement under this section. The board shall make necessary adjustments in the amount of the
61 grant. If a grant recipient at anytime withdraws from the institution of postsecondary education
62 so that under the rules and regulations of that institution he is entitled to a refund of any tuition,
63 fees, or other charges, the institution shall pay the portion of the refund to which he is entitled
64 attributable to the grant for that semester or similar grading period to the board.

65 7. If an eligible child or spouse is granted financial assistance under any other student
66 aid program, public or private, the full amount of such aid shall be reported to the board by the
67 institution and the eligible child or spouse.

68 8. Nothing in this section shall be construed as a promise or guarantee that a person will
69 be admitted to an institution of postsecondary education or to a particular institution of
70 postsecondary education, will be allowed to continue to attend an institution of postsecondary
71 education after having been admitted, or will be graduated from an institution of postsecondary
72 education.

73 9. A public safety officer who is permanently and totally disabled shall be eligible for
74 a grant pursuant to the provisions of this section.

75 10. An eligible child of a public safety officer or employee, spouse of a public safety
76 officer or public safety officer shall cease to be eligible for a grant pursuant to this section when
77 such public safety officer or employee is no longer permanently and totally disabled.

173.262. 1. There is hereby established the "Marguerite Ross Barnett Competitiveness
2 Scholarship Program", and any moneys appropriated by the general assembly for this program
3 shall be used to provide scholarships for Missouri citizens to attend a Missouri college or
4 university of their choice pursuant to the provisions of this section.

5 2. The definitions of terms set forth in section [173.205] **173.1102** shall be applicable
6 to such terms as used in this section. The term "competitiveness scholarship" means an amount
7 of money paid by the state of Missouri to a qualified college or university student pursuant to the
8 provisions of this section.

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

11 (1) Promulgate reasonable rules and regulations for the exercise of its functions and the
12 effectuation of the purposes of this section;

13 (2) Prescribe the form and the time and method of awarding competitiveness
14 scholarships, and shall supervise the processing thereof; and

15 (3) Select qualified recipients to receive competitiveness scholarships, make such awards
16 of competitiveness scholarships to qualified recipients and determine the manner and method of
17 payment to the recipient.

18 4. A student shall be eligible for initial or renewed competitiveness scholarship if, at the
19 time of his application and throughout the period during which he is receiving such assistance,
20 he is a part-time student who:

21 (1) Is eighteen years of age or older;

22 (2) Is employed twenty hours or more per week;

23 (3) Is a citizen or a permanent resident of the United States;

24 (4) Is a resident of the state of Missouri, as determined by reference to standards
25 promulgated pursuant to section 173.140;

26 (5) Is enrolled, or has been accepted for enrollment, as a part-time undergraduate student
27 in an approved private or public institution; and

28 (6) Establishes financial need.

29 5. A recipient of competitiveness scholarship awarded under the provisions of this
30 section may transfer from one approved Missouri public or private institution to another without
31 losing eligibility for the scholarship. If a recipient of the scholarship at any time withdraws from
32 an approved private or public institution so that under the rules and regulations of that institution
33 he is entitled to a refund of any tuition, fees or other charges, the institution shall pay the portion
34 of the refund attributable to the scholarship for that term to the coordinating board for higher
35 education.

173.616. 1. The following schools, training programs, and courses of instruction shall
2 be exempt from the provisions of sections 173.600 to 173.618:

3 (1) A public institution;

4 (2) Any college or university represented directly or indirectly on the advisory committee
5 of the coordinating board for higher education as provided in subsection 3 of section 173.005;

6 (3) An institution that is certified by the board as an "approved private institution" under
7 subdivision (2) of section 173.1102;

8 (4) A not-for-profit religious school that is accredited by the American Association of
9 Bible Colleges, the Association of Theological Schools in the United States and Canada, or a
10 regional accrediting association, such as the North Central Association, which is recognized by
11 the Council on Postsecondary Accreditation and the United States Department of Education; and

12 (5) Beginning July 1, 2008, all out-of-state public institutions of higher education, as
13 such term is defined in subdivision (12) of subsection 2 of section 173.005.

14 2. The coordinating board shall exempt the following schools, training programs and
15 courses of instruction from the provisions of sections 173.600 to 173.618:

16 (1) A not-for-profit school owned, controlled and operated by a bona fide religious or
17 denominational organization which offers no programs or degrees and grants no degrees or
18 certificates other than those specifically designated as theological, bible, divinity or other
19 religious designation;

20 (2) A not-for-profit school owned, controlled and operated by a bona fide eleemosynary
21 organization which provides instruction with no financial charge to its students and at which no
22 part of the instructional cost is defrayed by or through programs of governmental student
23 financial aid, including grants and loans, provided directly to or for individual students;

24 (3) A school which offers instruction only in subject areas which are primarily for
25 avocational or recreational purposes as distinct from courses to teach employable, marketable
26 knowledge or skills, which does not advertise occupational objectives and which does not grant
27 degrees;

28 (4) A course of instruction, study or training program sponsored by an employer for the
29 training and preparation of its own employees;

30 (5) A course of study or instruction conducted by a trade, business or professional
31 organization with a closed membership where participation in the course is limited to bona fide
32 members of the trade, business or professional organization, or a course of instruction for
33 persons in preparation for an examination given by a state board or commission where the state
34 board or commission approves that course and school;

35 (6) A school or person whose clientele are primarily students aged sixteen or under[.]

36 ; and

37 (7) **A yoga teacher training course, program, or school.**

38 3. A school which is otherwise licensed and approved under and pursuant to any other
39 licensing law of this state shall be exempt from sections 173.600 to 173.618, but a state
40 certificate of incorporation shall not constitute licensing for the purpose of sections 173.600 to
41 173.618.

42 4. Any school, training program or course of instruction exempted herein may elect by
43 majority action of its governing body or by action of its director to apply for approval of the
44 school, training program or course of instruction under the provisions of sections 173.600 to
45 173.618. Upon application to and approval by the coordinating board, such school training
46 program or course of instruction may become exempt from the provisions of sections 173.600
47 to 173.618 at any subsequent time, except the board shall not approve an application for
48 exemption if the approved school is then in any status of noncompliance with certification
49 standards and a reversion to exempt status shall not relieve the school of any liability for
50 indemnification or any penalty for noncompliance with certification standards during the period
51 of the school's approved status.

173.778. As used in sections 173.775 to 173.796, the following terms mean:

- 2 (1) "Board", the coordinating board for higher education;
- 3 (2) "Eligible institution", any approved public or private institution of postsecondary
4 education, as defined in section [173.205] **173.1102** or any other Missouri private institution that:
 - 5 (a) Is required by statute to be certified to operate by the board;
 - 6 (b) Is institutionally accredited by a United States Department of Education recognized
7 accrediting commission;
 - 8 (c) Has operated continuously in the state of Missouri for five or more years;
 - 9 (d) Has no more than fifty percent of its students in correspondence programs;
 - 10 (e) Offers a one-year or two-year certificate, associate or baccalaureate degree programs,
11 or graduate or professional degree programs; and
 - 12 (f) Is approved for participation in the advantage Missouri program by the board;
- 13 (3) "Eligible student", an individual who is enrolled full time in an eligible institution,
14 unless the board approves less than full-time enrollment, who meets the eligibility requirements
15 pursuant to subsection 1 of section [173.215] **173.1104 and establishes financial need** and who
16 meets the following additional requirements:
 - 17 (a) Has received a high school diploma, general educational development certificate
18 (GED), or its equivalent;
 - 19 (b) Maintains satisfactory academic progress as determined by the eligible institution
20 such student attends in pursuing a one-year or two-year certificate, associate or baccalaureate
21 degree, or graduate or professional degree. Failure to maintain satisfactory academic progress
22 shall result in ineligibility for continued participation in the program and ineligibility for
23 forgiveness of any loan or loans received;
 - 24 (c) Is not currently confined in any federal or state correctional facility or jail;
 - 25 (d) Has not defaulted on the repayment of any previously granted higher education loan;
 - 26 and

- 27 (e) Submits an application provided by the board for participation in the program;
28 (4) "Fund", the advantage Missouri trust fund, established in section 173.775; and
29 (5) "Occupational areas of high demand", specific professions or skill areas for which
30 the board determines that the state is experiencing a shortage of qualified employees;
31 (6) "Program", the advantage Missouri program established pursuant to sections 173.775
32 to 173.796.

174.770. 1. There is hereby established the "Jim Sears Leadership Scholarship Program". Any moneys appropriated by the general assembly for this program shall be used to provide scholarships for Missouri citizens to attend Truman State University pursuant to the provisions of this section.

2. The definitions of terms set forth in section [173.205] **173.1102** shall be applicable to such terms as used in this section.

3. The board of governors of Truman State University shall be the administrative agency for the implementation of the program established by this section, and shall:

(1) Promulgate reasonable rules for the exercise of its functions related to the purposes of this section;

(2) Prescribe the form, time and method of awarding academic scholarships, and shall supervise the processing thereof; and

(3) Select qualified recipients to receive the scholarships.

4. Subject to appropriations, a student shall be eligible for the scholarship, if such student is in compliance with the eligibility requirements set forth in section [173.215] **173.1104** [excluding the requirement of financial need].

5. Initial scholarships shall be offered in the academic year immediately following graduation from high school to Missouri high school seniors who have shown a strong record of leadership or community service while in high school. The scholarships shall be distributed as evenly as possible throughout the state. During the freshman year of college, scholarship recipients are required to maintain status as a full-time student.

6. The scholarships are renewable for up to six additional semesters if the recipient remains in compliance with the applicable provisions of section [173.215] **173.1104**, the recipient makes satisfactory academic degree progress as a full-time student, and upon the provision of funds by Truman State University.

Section B. Section 163.031 of Section A of this act shall become effective July 1, 2016.

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