SECOND REGULAR SESSION [PERFECTED]

SENATE SUBSTITUTE FOR

SENATE COMMITTEE SUBSTITUTE FOR

SENATE BILLS NOS. 603, 576 & 898

99TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR ONDER.

Offered February 27, 2018.

Senate Substitute adopted, February 27, 2018.

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4858S.05P

ADRIANE D. CROUSE, Secretary.

AN ACT

To repeal sections 161.670, 167.121, 173.1101, 173.1102, 173.1104, 173.1105, and 173.1107, RSMo, and to enact in lieu thereof seven new sections relating to virtual education, with an effective date.

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

Section A. Sections 161.670, 167.121, 173.1101, 173.1102, 173.1104,

- 2 173.1105, and 173.1107, RSMo, are repealed and seven new sections enacted in
- 3 lieu thereof, to be known as sections 161.670, 167.121, 173.1101, 173.1102,
- 4 173.1104, 173.1105, and 173.1107, to read as follows:

161.670. 1. Notwithstanding any other law, prior to July 1, 2007, the

- 2 state board of education shall establish [a virtual public school] the "Missouri
- 3 Course Access and Virtual School Program" to serve school-age students
- 4 residing in the state. The [virtual public school] Missouri course access and
- 5 virtual school program shall offer instruction in a virtual setting using
- 6 technology, intranet, and/or internet methods of communication. Any student
- 7 under the age of twenty-one in grades kindergarten through twelve who resides
- 8 in this state shall be eligible to enroll in the [virtual public school regardless of
- 9 the student's physical location] Missouri course access and virtual school
- 10 program pursuant to subsection 3 of this section.
- 11 2. For purposes of calculation and distribution of state school aid,
- 12 students enrolled in [a virtual public school] the Missouri course access and

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

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virtual school program shall be included, at the choice of the student's parent or guardian,] in the student enrollment of the school district in which the student physically [resides] is enrolled under subsection 3 of this section. The 15 [virtual public school] Missouri course access and virtual school program 16 shall report to the district of residence the following information about each 17student served by the [virtual public school] Missouri course access and 18 virtual school program: name, address, eligibility for free or reduced-price lunch, limited English proficiency status, special education needs, and the 20 21 number of courses in which the student is enrolled. The [virtual public school] 22 Missouri course access and virtual school program shall promptly notify 23the resident district when a student discontinues enrollment. A "full-time 24equivalent student" is a student who successfully has completed the instructional 25equivalent of six credits per regular term. Each [virtual] Missouri course 26 access and virtual school program course shall count as one class and shall 27generate that portion of a full-time equivalent that a comparable course offered by the school district would generate. In no case shall more than the full-time 2829 equivalency of a regular term of attendance for a single student be used to claim 30 state aid. Full-time equivalent student credit completed shall be reported to the 31 department of elementary and secondary education in the manner prescribed by 32 the department. Nothing in this section shall prohibit students from enrolling 33 in additional courses under a separate agreement that includes terms for paying tuition or course fees. 34

- 3. [When a school district has one or more resident students enrolled in a virtual public school program authorized by this section, whose parent or guardian has chosen to include such student in the district's enrollment, the department of elementary and secondary education shall disburse an amount corresponding to fifteen percent of the state aid under sections 163.031 and 163.043 attributable to such student to the resident district. Subject to an annual appropriation by the general assembly, the department shall disburse an amount corresponding to eighty-five percent of the state adequacy target attributable to such student to the virtual public school.
- 4.] (1) A school district or charter school shall allow any eligible student who resides in such district to enroll in Missouri course access and virtual school program courses of his or her choice as a part of the student's annual course load each school year or a full-time virtual school option, with any costs associated with such course or courses to

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49 be paid by the school district or charter school if:

- (a) The student is enrolled full-time in and has attended, for at least one semester immediately prior to enrolling in the Missouri course access and virtual school program, a public school, including any public charter school; provided that this paragraph shall not be construed to require a student seeking to enroll in Missouri course access and virtual school program courses pursuant to this subdivision to have attended a public school during the prior semester if the student has a documented medical or psychological diagnosis or condition that prevented the student from attending a school in the community during the previous semester; and
- (b) Prior to enrolling in any Missouri course access and virtual school program course, a student has received approval from his or her school district or charter school through the procedure described under subdivision (2) of this subsection.
- 64 (2) A school district or charter school shall approve or disapprove a student's request to enroll in a course or courses provided 65 by the Missouri course access and virtual school program, including 66 full-time enrollment in courses provided by the Missouri course access 67 and virtual school program. Each school district or charter school shall 68 adopt a policy that delineates the process by which a student may 69 enroll in courses provided by the Missouri course access and virtual school program that is substantially similar to the typical process by which a district student would enroll in courses offered by the school district and a charter school student would enroll in courses offered by 74the charter school. The policy may include consultation with the school's counselor and may include parental notification or authorization. School counselors shall not be required to approve or 76 disapprove a student's enrollment in the Missouri course access and 77 virtual school program. In cases of denial by the district or charter 78 school, local education agencies shall inform students and families of 79 80 their right to appeal any enrollment denials in Missouri course access program courses initially to the local school board which shall provide 81 82 an enrollment decision within thirty calendar days and then to the 83 department of elementary and secondary education, which shall provide a final enrollment decision within seven calendar days. 84
 - (3) For students enrolled in any Missouri course access and

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86 virtual school program course in which costs associated with such course are to be paid by the school district or charter school as described under subdivision (1) of this subsection, the school district or charter school shall pay the content provider directly on a pro rata monthly basis based on a student's completion of assignments and assessments. If a student discontinues enrollment, the district or charter school may stop making monthly payments to the content provider. No school district or charter school shall pay, for any one course for a student, more than the market necessary costs but in no case shall pay more than fourteen percent of the state adequacy target, as defined under section 163.011, as calculated at the end of the most recent school year for any single, year-long course and no more than seven percent of the state adequacy target as described above for any single semester equivalent course. Payment for a full-time virtual school student shall not exceed the state adequacy target, unless the student receives additional federal or state aid. Nothing in this 102 subdivision shall prohibit a school district or charter school from negotiating lower costs directly with course or full-time virtual school providers, particularly in cases where several students enroll in a single course or full-time virtual school.

- (4) In the case of a student who is a candidate for A+ tuition reimbursement and taking a virtual course under this section, the school shall attribute no less than ninety-five percent attendance to any such student who has completed such virtual course.
- (5) The Missouri course access and virtual school program shall ensure that individual learning plans designed by certified teachers and professional staff are developed for all students enrolled in more than two full-time course access program courses or a full-time virtual school.
- 115 department shall monitor student success engagement of students enrolled in their program and report the 116 117 information to the school district or charter school. Providers and the department may make recommendations to the school district or 118 charter school regarding the student's continued enrollment in the 119 program. The school district or charter school shall consider the 120 121recommendations and evaluate the progress and success of enrolled students that are enrolled in any course or full-time virtual school 122

offered under this section and may terminate or alter the course offering if it is found the course or full-time virtual school is not meeting the educational needs of the students enrolled in the course.

- (7) School districts and charter schools shall monitor student progress and success, and course or full-time virtual school quality, and annually provide feedback to the department of elementary and secondary education regarding course quality.
- (8) Pursuant to rules to be promulgated by the department of elementary and secondary education, when a student transfers into a school district or charter school, credits previously gained through successful passage of approved courses under the Missouri course access and virtual school program shall be accepted by the school district or charter school.
- (9) Pursuant to rules to be promulgated by the department of elementary and secondary education, if a student transfers into a school district or charter school while enrolled in a Missouri course access and virtual school program course or full-time virtual school, the student shall continue to be enrolled in such course or school.
- (10) Nothing in this section shall prohibit home school students, private school students, or students wishing to take additional courses beyond their regular course load from enrolling in Missouri course access and virtual school program courses under an agreement that includes terms for paying tuition or course fees.
- (11) Nothing in this subsection shall require any school district, charter school, or the state to provide computers, equipment, or internet access to any student unless required by an eligible student with a disability to comply with federal law.
- (12) The authorization process shall provide for continuous monitoring of approved providers and courses. The department shall revoke or suspend or take other corrective action regarding the authorization of any course or provider no longer meeting the requirements of the program. Unless immediate action is necessary, prior to revocation or suspension, the department shall notify the provider and give the provider a reasonable time period to take corrective action to avoid revocation or suspension. The process shall provide for periodic renewal of authorization no less frequently than once every three years.

- 160 (13) Courses approved as of August 28, 2018, by the department 161 to participate in the Missouri virtual instruction program shall be 162 automatically approved to participate in the Missouri course access 163 and virtual school program, but shall be subject to periodic renewal.
- 4. School districts or charter schools shall inform parents of their child's right to participate in the program. Availability of the program shall be made clear in the parent handbook, registration documents, and featured on the home page of the school district or charter school's website.
 - 5. The department shall:
- 170 (1) Establish an authorization process for course or full-time 171 virtual school providers that includes multiple opportunities for 172 submission each year;
- 173 (2) Pursuant to the time line established by the department, 174 authorize course or full-time virtual school providers that:
- 175 (a) Submit all necessary information pursuant to the 176 requirements of the process; and
- 177 (b) Meet the criteria described in subdivision (3) of this 178 subsection;
- (3) Review, pursuant to the authorization process, proposals from providers to provide a comprehensive, full-time equivalent course of study for students through the Missouri course access and virtual school program. The department shall ensure that these comprehensive courses of study align to state academic standards and that there is consistency and compatibility in the curriculum used by all providers from one grade level to the next grade level;
- 186 (4) Within thirty days of any denial, provide a written 187 explanation to any course or full-time virtual school providers that are 188 denied authorization.
- 6. If a course or full-time virtual school provider is denied authorization, the course provider may reapply at any point in the future.
- 7. The department shall publish the process established under this section, including any deadlines and any guidelines applicable to the submission and authorization process for course or full-time virtual school providers on its website.
- 196 8. If the department determines that there are insufficient funds

available for evaluating and authorizing course or full-time virtual school providers, the department may charge applicant course or full-time virtual school providers a fee up to, but no greater than, the amount of the costs in order to ensure that evaluation occurs. The department shall establish and publish a fee schedule for purposes of this subsection.

- 9. Except as specified in this section and as may be specified by rule of the state board of education, the [virtual public school] Missouri course access and virtual school program shall comply with all state laws and regulations applicable to school districts, including but not limited to the Missouri school improvement program (MSIP), [adequate yearly progress (AYP),] annual performance report (APR), teacher certification, and curriculum standards.
- [5.] 10. The state board of education through the rulemaking process and the department of elementary and secondary education in its policies and procedures shall ensure that multiple content providers are allowed, ensure digital content conforms to accessibility requirements, provide an easily accessible link for providers to submit courses or full-time virtual schools on the Missouri course access and virtual school program website, and allow any person, organization, or entity to submit courses or full-time virtual schools for approval. No content provider shall be allowed that is unwilling to accept payments in the amount and manner as described under subdivision (3) of subsection 3 of this section or does not meet performance or quality standards adopted by the state board of education.
- [6.] 11. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2006, shall be invalid and void.
- 167.121. [1.] If the residence of a pupil is so located that attendance in the district of residence constitutes an unusual or unreasonable transportation hardship because of natural barriers, travel time, or distance, the commissioner

- of education or his designee may assign the pupil to another district. Subject to the provisions of this section, all existing assignments shall be reviewed prior to July 1, 1984, and from time to time thereafter, and may be continued or rescinded. The board of education of the district in which the pupil lives shall pay the tuition of the pupil assigned. The tuition shall not exceed the pro rata cost of instruction.
- [2. (1) For the school year beginning July 1, 2008, and each succeeding school year, a parent or guardian residing in a lapsed public school district or a district that has scored either unaccredited or provisionally accredited, or a combination thereof, on two consecutive annual performance reports may enroll the parent's or guardian's child in the Missouri virtual school created in section 161.670 provided the pupil first enrolls in the school district of residence. The school district of residence shall include the pupil's enrollment in the virtual school created in section 161.670 in determining the district's average daily attendance. Full-time enrollment in the virtual school shall constitute one average daily attendance equivalent in the school district of residence. Average daily attendance for part-time enrollment in the virtual school shall be calculated as a percentage of the total number of virtual courses enrolled in divided by the number of courses required for full-time attendance in the school district of residence.
 - (2) A pupil's residence, for purposes of this section, means residency established under section 167.020. Except for students residing in a K-8 district attending high school in a district under section 167.131, the board of the home district shall pay to the virtual school the amount required under section 161.670.
 - (3) Nothing in this section shall require any school district or the state to provide computers, equipment, internet or other access, supplies, materials or funding, except as provided in this section, as may be deemed necessary for a pupil to participate in the virtual school created in section 161.670.
 - (4) Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2007, shall be

40 invalid and void.]

173.1101. The financial assistance program established under sections
173.1101 to 173.1107 shall be hereafter known as the "Access Missouri Financial
Assistance Program". The coordinating board and all approved private [and],
public, and virtual institutions in this state shall refer to the financial
assistance program established under sections 173.1101 to 173.1107 as the access
Missouri student financial assistance program in their scholarship literature,
provided that no institution shall be required to revise or amend any such

- 8 literature to comply with this section prior to the date such literature would
- 9 otherwise be revised, amended, reprinted or replaced in the ordinary course of
- 10 such institution's business.

- 173.1102. **1.** As used in sections 173.1101 to 173.1107, unless the context 2 requires otherwise, the following terms mean:
- 3 (1) "Academic year", the period from July first of any year through June 4 thirtieth of the following year;
- 5 (2) "Approved private institution", a nonprofit institution, dedicated to 6 educational purposes, located in Missouri which:
- 7 (a) Is operated privately under the control of an independent board and 8 not directly controlled or administered by any public agency or political 9 subdivision;
- 10 (b) Provides a postsecondary course of instruction at least six months in 11 length leading to or directly creditable toward a certificate or degree;
- 12 (c) Meets the standards for accreditation as determined by either the 13 Higher Learning Commission or by other accrediting bodies recognized by the 14 United States Department of Education or by utilizing accreditation standards 15 applicable to nondegree-granting institutions as established by the coordinating 16 board for higher education;
- (d) Does not discriminate in the hiring of administrators, faculty and staff or in the admission of students on the basis of race, color, religion, sex, or national origin and is in compliance with the Federal Civil Rights Acts of 1964 and 1968 and executive orders issued pursuant thereto. Sex discrimination as used herein shall not apply to admission practices of institutions offering the enrollment limited to one sex;
- 23 (e) Permits faculty members to select textbooks without influence or 24 pressure by any religious or sectarian source;
 - (3) "Approved public institution", an educational institution located in

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- 27 (a) Is directly controlled or administered by a public agency or political subdivision:
- 29 (b) Receives appropriations directly or indirectly from the general 30 assembly for operating expenses;
- 31 (c) Provides a postsecondary course of instruction at least six months in 32 length leading to or directly creditable toward a degree or certificate;
- (d) Meets the standards for accreditation as determined by either the Higher Learning Commission, or if a public community college created under the provisions of sections 178.370 to 178.400 meets the standards established by the coordinating board for higher education for such public community colleges, or by other accrediting bodies recognized by the United States Department of Education or by utilizing accreditation standards applicable to the institution as established by the coordinating board for higher education;
- 40 (e) Does not discriminate in the hiring of administrators, faculty and staff 41 or in the admission of students on the basis of race, color, religion, sex, or 42 national origin and is otherwise in compliance with the Federal Civil Rights Acts 43 of 1964 and 1968 and executive orders issued pursuant thereto;
- 44 (f) Permits faculty members to select textbooks without influence or 45 pressure by any religious or sectarian source;
 - (4) "Approved virtual institution", an educational institution that meets all of the following requirements:
 - (a) Is recognized as a qualifying institution by gubernatorial executive order, unless such order is rescinded;
 - (b) Is recognized as a qualifying institution through a memorandum of understanding between the state of Missouri and the approved virtual institution;
- 53 (c) Is accredited by a regional accrediting agency recognized by 54 the United States Department of Education;
 - (d) Has established and continuously maintains a physical campus or location of operation within the state of Missouri;
- (e) Maintains at least twenty-five full-time Missouri employees, at least one-half of which shall be faculty or administrators engaged in operations;
- 60 (f) Enrolls at least one thousand Missouri residents as degree or 61 certificate seeking students;

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- 62 (g) Maintains a governing body or advisory board based in 63 Missouri with oversight of Missouri operations;
 - (h) Is organized as a nonprofit institution; and
 - (i) Utilizes an exclusively competency-based education model;
 - (5) "Coordinating board", the coordinating board for higher education;
- [(5)] (6) "Expected family contribution", the amount of money a student and family should pay toward the cost of postsecondary education as calculated by the United States Department of Education and reported on the student aid report or the institutional student information record;
- 71 **[**(6)**]** (7) "Financial assistance", an amount of money paid by the state of 72 Missouri to a qualified applicant under sections 173.1101 to 173.1107;
- 73 [(7)] (8) "Full-time student", an individual who is enrolled in and is 74carrying a sufficient number of credit hours or their equivalent at an approved 75 private [or], public, or virtual institution to secure the degree or certificate toward which he or she is working in no more than the number of semesters or 76 77 their equivalent normally required by that institution in the program in which the individual is enrolled. This definition shall be construed as the successor to 78 subdivision (7) of section 173.205 for purposes of eligibility requirements of other 79 financial assistance programs that refer to section 173.205. 80
- 2. The failure of an approved virtual institution to continuously maintain all of the requirements in paragraphs (a) to (i) of subdivision (4) of subsection 1 of this section shall preclude such institution's students or applicants from being eligible for assistance under sections 173.1104 and 173.1105.
- 173.1104. 1. An applicant shall be eligible for initial or renewed financial assistance only if, at the time of application and throughout the period during which the applicant is receiving such assistance, the applicant:
- 4 (1) Is a citizen or a permanent resident of the United States;
- 5 (2) Is a resident of the state of Missouri, as determined by reference to 6 standards promulgated by the coordinating board;
- 7 (3) Is enrolled, or has been accepted for enrollment, as a full-time 8 undergraduate student in an approved private [or], public, or virtual 9 institution; and
- 10 (4) Is not enrolled or does not intend to use the award to enroll in a course 11 of study leading to a degree in theology or divinity.
- 12 2. If an applicant is found guilty of or pleads guilty to any criminal

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offense during the period of time in which the applicant is receiving financial assistance, such applicant shall not be eligible for renewal of such assistance, provided such offense would disqualify the applicant from receiving federal student aid under Title IV of the Higher Education Act of 1965, as amended.

- 3. Financial assistance shall be allotted for one academic year, but a recipient shall be eligible for renewed assistance until he or she has obtained a baccalaureate degree, provided such financial assistance shall not exceed a total of ten semesters or fifteen quarters or their equivalent. Standards of eligibility for renewed assistance shall be the same as for an initial award of financial assistance, except that for renewal, an applicant shall demonstrate a grade-point average of two and five-tenths on a four-point scale, or the equivalent on another scale. This subsection shall be construed as the successor to section 173.215 for purposes of eligibility requirements of other financial assistance programs that refer to section 173.215.
- 173.1105. 1. An applicant who is an undergraduate postsecondary student at an approved private [or], public, or virtual institution and who meets the other eligibility criteria shall be eligible for financial assistance, with a minimum and maximum award amount as follows:
 - (1) For academic years 2010-11, 2011-12, 2012-13, and 2013-14:
- 6 (a) One thousand dollars maximum and three hundred dollars minimum 7 for students attending institutions classified as part of the public two-year sector;
- 8 (b) Two thousand one hundred fifty dollars maximum and one thousand 9 dollars minimum for students attending institutions classified as part of the 10 public four-year sector, including State Technical College of Missouri; and
- 11 (c) Four thousand six hundred dollars maximum and two thousand dollars 12 minimum for students attending approved private institutions;
 - (2) For the 2014-15 academic year and subsequent years:
- 14 (a) One thousand three hundred dollars maximum and three hundred 15 dollars minimum for students attending institutions classified as part of the 16 public two-year sector; and
- 17 (b) Two thousand eight hundred fifty dollars maximum and one thousand 18 five hundred dollars minimum for students attending institutions classified as 19 part of the public four-year sector, including State Technical College of Missouri, 20 [or] approved private institutions, or approved virtual institutions.
- 2. All students with an expected family contribution of twelve thousand 22 dollars or less shall receive at least the minimum award amount for his or her

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institution. Maximum award amounts for an eligible student with an expected family contribution above seven thousand dollars shall be reduced by ten percent of the maximum expected family contribution for his or her increment group. Any award amount shall be reduced by the amount of a student's payment from the A+ schools program or any successor program to it. For purposes of this subsection, the term "increment group" shall mean a group organized by expected family contribution in five hundred dollar increments into which all eligible students shall be placed.

- 3. If appropriated funds are insufficient to fund the program as described, the maximum award shall be reduced across all sectors by the percentage of the shortfall. If appropriated funds exceed the amount necessary to fund the program, the additional funds shall be used to increase the number of recipients by raising the cutoff for the expected family contribution rather than by increasing the size of the award.
- 37 4. Every three years, beginning with academic year 2009-10, the award amount may be adjusted to increase no more than the Consumer Price Index for 38 39 All Urban Consumers (CPI-U), 1982-1984 = 100, not seasonally adjusted, as defined and officially recorded by the United States Department of Labor, or its 40 successor agency, for the previous academic year. The coordinating board shall 41 42 prepare a report prior to the legislative session for use of the general assembly 43 and the governor in determining budget requests which shall include the amount of funds necessary to maintain full funding of the program based on the baseline 44 established for the program upon the effective date of sections 173.1101 to 45 173.1107. Any increase in the award amount shall not become effective unless 46 47 an increase in the amount of money appropriated to the program necessary to cover the increase in award amount is passed by the general assembly. 48

173.1107. A recipient of financial assistance may transfer from one approved public [or], private, or virtual institution to another without losing eligibility for assistance under sections 173.1101 to 173.1107, but the coordinating board shall make any necessary adjustments in the amount of the award. If a recipient of financial assistance at any time is entitled to a refund of any tuition, fees, or other charges under the rules and regulations of the institution in which he or she is enrolled, the institution shall pay the portion of the refund which may be attributed to the state grant to the coordinating board. The coordinating board will use these refunds to make additional awards under the provisions of sections 173.1101 to 173.1107.

Section B. Section A of this act shall become effective July 1, 2019.

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