

SECOND REGULAR SESSION
[TRULY AGREED TO AND FINALLY PASSED]
CONFERENCE COMMITTEE SUBSTITUTE FOR
HOUSE COMMITTEE SUBSTITUTE FOR
SENATE SUBSTITUTE FOR
SENATE COMMITTEE SUBSTITUTE FOR

SENATE BILLS NOS. 603, 576 & 898

99TH GENERAL ASSEMBLY

2018

4858S.07T

AN ACT

To repeal sections 161.670, 167.121, 173.234, 173.616, 173.1101, 173.1102, 173.1104, 173.1105, 173.1107, 173.1150, and 173.1153, RSMo, and to enact in lieu thereof eleven new sections relating to virtual education.

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

Section A. Sections 161.670, 167.121, 173.234, 173.616, 173.1101, 173.1102, 2 173.1104, 173.1105, 173.1107, 173.1150, and 173.1153, RSMo, are repealed and 3 eleven new sections enacted in lieu thereof, to be known as sections 161.670, 4 167.121, 173.234, 173.616, 173.1101, 173.1102, 173.1104, 173.1105, 173.1107, 5 173.1150, and 173.1153, 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.

13 **virtual school program** shall be included[, at the choice of the student's parent
14 or guardian,] in the student enrollment of the school district in which the student
15 physically [resides] **is enrolled under subsection 3 of this section.** The
16 [virtual public school] **Missouri course access and virtual school program**
17 shall report to the district of residence the following information about each
18 student served by the [virtual public school] **Missouri course access and**
19 **virtual school program:** name, address, eligibility for free or reduced-price
20 lunch, limited English proficiency status, special education needs, and the
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
23 the resident district when a student discontinues enrollment. A "full-time
24 equivalent student" is a student who successfully has completed the instructional
25 equivalent of six credits per regular term. Each [virtual] **Missouri course**
26 **access and virtual school program** course shall count as one class and shall
27 generate that portion of a full-time equivalent that a comparable course offered
28 by the school district would generate. In no case shall more than the full-time
29 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
34 tuition or course fees.

35 3. [When a school district has one or more resident students enrolled in
36 a virtual public school program authorized by this section, whose parent or
37 guardian has chosen to include such student in the district's enrollment, the
38 department of elementary and secondary education shall disburse an amount
39 corresponding to fifteen percent of the state aid under sections 163.031 and
40 163.043 attributable to such student to the resident district. Subject to an annual
41 appropriation by the general assembly, the department shall disburse an amount
42 corresponding to eighty-five percent of the state adequacy target attributable to
43 such student to the virtual public school.

44 4.] (1) **A school district or charter school shall allow any eligible**
45 **student who resides in such district to enroll in Missouri course access**
46 **and virtual school program courses of his or her choice as a part of the**
47 **student's annual course load each school year or a full-time virtual**
48 **school option, with any costs associated with such course or courses to**

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

50 (a) **The student is enrolled full-time in and has attended, for at**
51 **least one semester immediately prior to enrolling in the Missouri**
52 **course access and virtual school program, a public school, including**
53 **any charter school; except that, no student seeking to enroll in Missouri**
54 **course access and virtual school program courses under this**
55 **subdivision shall be required to have attended a public school during**
56 **the previous semester if the student has a documented medical or**
57 **psychological diagnosis or condition that prevented the student from**
58 **attending a school in the community during the previous semester; and**

59 (b) **Prior to enrolling in any Missouri course access and virtual**
60 **school program course, a student has received approval from his or her**
61 **school district or charter school through the procedure described**
62 **under subdivision (2) of this subsection.**

63 (2) **Each school district or charter school shall adopt a policy**
64 **that delineates the process by which a student may enroll in courses**
65 **provided by the Missouri course access and virtual school program that**
66 **is substantially similar to the typical process by which a district**
67 **student would enroll in courses offered by the school district and a**
68 **charter school student would enroll in courses offered by the charter**
69 **school. The policy may include consultation with the school's counselor**
70 **and may include parental notification or authorization. School**
71 **counselors shall not be required to approve or disapprove a student's**
72 **enrollment in the Missouri course access and virtual school program.**
73 **If the school district or charter school disapproves a student's request**
74 **to enroll in a course or courses provided by the Missouri course access**
75 **and virtual school program, including full-time enrollment in courses**
76 **provided by the Missouri course access and virtual school program, the**
77 **reason shall be provided in writing and it shall be for "good**
78 **cause". "Good cause" justification to disapprove a student's request for**
79 **enrollment in a course shall be a determination that doing so is not in**
80 **the best educational interest of the student. In cases of denial by the**
81 **school district or charter school, local education agencies shall inform**
82 **the student and the student's family of their right to appeal any**
83 **enrollment denial in the Missouri course access and virtual school**
84 **program to the local school district board or charter school governing**
85 **body where the family shall be given an opportunity to present their**

86 reasons for their child or children to enroll in the Missouri course
87 access and virtual school program in an official school board meeting. In
88 addition, the school district or charter school administration shall
89 provide its "good cause" justification for denial at a school board
90 meeting or governing body meeting. Both the family and school
91 administration shall also provide their reasons in writing to the
92 members of the school board or governing body and the documents
93 shall be entered into the official board minutes. The members of the
94 board or governing body shall issue their decision in writing within
95 thirty calendar days, and then an appeal may be made to the
96 department of elementary and secondary education, which shall
97 provide a final enrollment decision within seven calendar days.

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

119 (4) In the case of a student who is a candidate for A+ tuition
120 reimbursement and taking a virtual course under this section, the
121 school shall attribute no less than ninety-five percent attendance to any
122 such student who has completed such virtual course.

123 (5) The Missouri course access and virtual school program shall
124 ensure that individual learning plans designed by certified teachers
125 and professional staff are developed for all students enrolled in more
126 than two full-time course access program courses or a full-time virtual
127 school.

128 (6) The department shall monitor student success and
129 engagement of students enrolled in their program and report the
130 information to the school district or charter school. Providers and the
131 department may make recommendations to the school district or
132 charter school regarding the student's continued enrollment in the
133 program. The school district or charter school shall consider the
134 recommendations and evaluate the progress and success of enrolled
135 students that are enrolled in any course or full-time virtual school
136 offered under this section and may terminate or alter the course
137 offering if it is found the course or full-time virtual school is not
138 meeting the educational needs of the students enrolled in the course.

139 (7) School districts and charter schools shall monitor student
140 progress and success, and course or full-time virtual school quality, and
141 annually provide feedback to the department of elementary and
142 secondary education regarding course quality.

143 (8) Pursuant to rules to be promulgated by the department of
144 elementary and secondary education, when a student transfers into a
145 school district or charter school, credits previously gained through
146 successful passage of approved courses under the Missouri course
147 access and virtual school program shall be accepted by the school
148 district or charter school.

149 (9) Pursuant to rules to be promulgated by the department of
150 elementary and secondary education, if a student transfers into a
151 school district or charter school while enrolled in a Missouri course
152 access and virtual school program course or full-time virtual school, the
153 student shall continue to be enrolled in such course or school.

154 (10) Nothing in this section shall prohibit home school students,
155 private school students, or students wishing to take additional courses
156 beyond their regular course load from enrolling in Missouri course
157 access and virtual school program courses under an agreement that
158 includes terms for paying tuition or course fees.

159 (11) Nothing in this subsection shall require any school district,

160 charter school, or the state to provide computers, equipment, or
161 internet access to any student unless required by an eligible student
162 with a disability to comply with federal law.

163 (12) The authorization process shall provide for continuous
164 monitoring of approved providers and courses. The department shall
165 revoke or suspend or take other corrective action regarding the
166 authorization of any course or provider no longer meeting the
167 requirements of the program. Unless immediate action is necessary,
168 prior to revocation or suspension, the department shall notify the
169 provider and give the provider a reasonable time period to take
170 corrective action to avoid revocation or suspension. The process shall
171 provide for periodic renewal of authorization no less frequently than
172 once every three years.

173 (13) Courses approved as of August 28, 2018, by the department
174 to participate in the Missouri virtual instruction program shall be
175 automatically approved to participate in the Missouri course access
176 and virtual school program, but shall be subject to periodic renewal.

177 (14) Any online course or virtual program offered by a school
178 district or charter school, including those offered prior to August 28,
179 2018, which meets the requirements of section 162.1250 shall be
180 automatically approved to participate in the Missouri course access
181 and virtual school program. Such course or program shall be subject
182 to periodic renewal. A school district or charter school offering such
183 a course or virtual school program shall be deemed an approved
184 provider.

185 4. School districts or charter schools shall inform parents of
186 their child's right to participate in the program. Availability of the
187 program shall be made clear in the parent handbook, registration
188 documents, and featured on the home page of the school district or
189 charter school's website.

190 5. The department shall:

191 (1) Establish an authorization process for course or full-time
192 virtual school providers that includes multiple opportunities for
193 submission each year;

194 (2) Pursuant to the time line established by the department,
195 authorize course or full-time virtual school providers that:

196 (a) Submit all necessary information pursuant to the

197 requirements of the process; and

198 (b) Meet the criteria described in subdivision (3) of this
199 subsection;

200 (3) Review, pursuant to the authorization process, proposals
201 from providers to provide a comprehensive, full-time equivalent course
202 of study for students through the Missouri course access and virtual
203 school program. The department shall ensure that these comprehensive
204 courses of study align to state academic standards and that there is
205 consistency and compatibility in the curriculum used by all providers
206 from one grade level to the next grade level;

207 (4) Within thirty days of any denial, provide a written
208 explanation to any course or full-time virtual school providers that are
209 denied authorization.

210 6. If a course or full-time virtual school provider is denied
211 authorization, the course provider may reapply at any point in the
212 future.

213 7. The department shall publish the process established under
214 this section, including any deadlines and any guidelines applicable to
215 the submission and authorization process for course or full-time virtual
216 school providers on its website.

217 8. If the department determines that there are insufficient funds
218 available for evaluating and authorizing course or full-time virtual
219 school providers, the department may charge applicant course or full-
220 time virtual school providers a fee up to, but no greater than, the
221 amount of the costs in order to ensure that evaluation occurs. The
222 department shall establish and publish a fee schedule for purposes of
223 this subsection.

224 9. Except as specified in this section and as may be specified by rule of
225 the state board of education, the [virtual public school] Missouri course access
226 and virtual school program shall comply with all state laws and regulations
227 applicable to school districts, including but not limited to the Missouri school
228 improvement program (MSIP), [adequate yearly progress (AYP),] annual
229 performance report (APR), teacher certification, and curriculum standards.

230 [5.] 10. The department shall submit and publicly publish an
231 annual report on the Missouri course access and virtual school program
232 and the participation of entities to the governor, the chair and ranking
233 member of the senate education committee, and the chair and ranking

234 **member of the house of representatives elementary and secondary**
235 **education committee. The report shall at a minimum include the**
236 **following information:**

237 **(1) The annual number of unique students participating in**
238 **courses authorized under this section and the total number of courses**
239 **in which students are enrolled;**

240 **(2) The number of authorized providers;**

241 **(3) The number of authorized courses and the number of**
242 **students enrolled in each course;**

243 **(4) The number of courses available by subject and grade level;**

244 **(5) The number of students enrolled in courses broken down by**
245 **subject and grade level;**

246 **(6) Student outcome data, including completion rates, student**
247 **learning gains, student performance on state or nationally accepted**
248 **assessments, by subject and grade level per provider. This outcome**
249 **data shall be published in a manner that protects student privacy;**

250 **(7) The costs per course;**

251 **(8) Evaluation of in-school course availability compared to**
252 **course access availability to ensure gaps in course access are being**
253 **addressed statewide.**

254 **11. The department shall be responsible for creating the Missouri**
255 **course access and virtual school program catalog providing a listing of**
256 **all courses authorized and available to students in the state, detailed**
257 **information, including costs per course, about the courses to inform**
258 **student enrollment decisions, and the ability for students to submit**
259 **their course enrollments.**

260 **12. The state board of education through the rulemaking process and the**
261 **department of elementary and secondary education in its policies and procedures**
262 **shall ensure that multiple content providers and learning management**
263 **systems are allowed, ensure digital content conforms to accessibility**
264 **requirements, provide an easily accessible link for providers to submit**
265 **courses or full-time virtual schools on the Missouri course access and**
266 **virtual school program website, and allow any person, organization, or**
267 **entity to submit courses or full-time virtual schools for approval. No**
268 **content provider shall be allowed that is unwilling to accept payments**
269 **in the amount and manner as described under subdivision (3) of**
270 **subsection 3 of this section or does not meet performance or quality**

271 standards adopted by the state board of education.

272 [6.] 13. Any rule or portion of a rule, as that term is defined in section
273 536.010, that is created under the authority delegated in this section shall
274 become effective only if it complies with and is subject to all of the provisions of
275 chapter 536 and, if applicable, section 536.028. This section and chapter 536 are
276 nonseverable and if any of the powers vested with the general assembly pursuant
277 to chapter 536 to review, to delay the effective date, or to disapprove and annul
278 a rule are subsequently held unconstitutional, then the grant of rulemaking
279 authority and any rule proposed or adopted after August 28, 2006, shall be
280 invalid and void.

167.121. [1.] If the residence of a pupil is so located that attendance in
2 the district of residence constitutes an unusual or unreasonable transportation
3 hardship because of natural barriers, travel time, or distance, the commissioner
4 of education or his designee may assign the pupil to another district. Subject to
5 the provisions of this section, all existing assignments shall be reviewed prior to
6 July 1, 1984, and from time to time thereafter, and may be continued or
7 rescinded. The board of education of the district in which the pupil lives shall
8 pay the tuition of the pupil assigned. The tuition shall not exceed the pro rata
9 cost of instruction.

10 [2. (1) For the school year beginning July 1, 2008, and each succeeding
11 school year, a parent or guardian residing in a lapsed public school district or a
12 district that has scored either unaccredited or provisionally accredited, or a
13 combination thereof, on two consecutive annual performance reports may enroll
14 the parent's or guardian's child in the Missouri virtual school created in section
15 161.670 provided the pupil first enrolls in the school district of residence. The
16 school district of residence shall include the pupil's enrollment in the virtual
17 school created in section 161.670 in determining the district's average daily
18 attendance. Full-time enrollment in the virtual school shall constitute one
19 average daily attendance equivalent in the school district of residence. Average
20 daily attendance for part-time enrollment in the virtual school shall be calculated
21 as a percentage of the total number of virtual courses enrolled in divided by the
22 number of courses required for full-time attendance in the school district of
23 residence.

24 (2) A pupil's residence, for purposes of this section, means residency
25 established under section 167.020. Except for students residing in a K-8 district
26 attending high school in a district under section 167.131, the board of the home

27 district shall pay to the virtual school the amount required under section 161.670.

28 (3) Nothing in this section shall require any school district or the state to
29 provide computers, equipment, internet or other access, supplies, materials or
30 funding, except as provided in this section, as may be deemed necessary for a
31 pupil to participate in the virtual school created in section 161.670.

32 (4) Any rule or portion of a rule, as that term is defined in section
33 536.010, that is created under the authority delegated in this section shall
34 become effective only if it complies with and is subject to all of the provisions of
35 chapter 536 and, if applicable, section 536.028. This section and chapter 536 are
36 nonseverable and if any of the powers vested with the general assembly pursuant
37 to chapter 536 to review, to delay the effective date, or to disapprove and annul
38 a rule are subsequently held unconstitutional, then the grant of rulemaking
39 authority and any rule proposed or adopted after August 28, 2007, shall be
40 invalid and void.]

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

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

4 (2) "Books", any books required for any course for which tuition was paid
5 by a grant awarded under this section;

6 (3) "Eligible student", the natural, adopted, or stepchild of a qualifying
7 military member, who is less than twenty-five years of age and who was a
8 dependent of a qualifying military member at the time of death or injury or
9 within five years subsequent to the injury, or the spouse of a qualifying military
10 member which was the spouse of a veteran at the time of death or injury or
11 within five years subsequent to the injury;

12 (4) "Grant", the veteran's survivors grant as established in this section;

13 (5) "Institution of postsecondary education", any approved Missouri public
14 institution of postsecondary education, as defined in subdivision (3) of
15 **subsection 1 of** section 173.1102;

16 (6) "Qualifying military member", any member of the military of the
17 United States, whether active duty, reserve, or National Guard, who served in the
18 military after September 11, 2001, during time of war and for whom the following
19 criteria apply:

20 (a) A veteran was a Missouri resident when first entering the military
21 service or at the time of death or injury;

22 (b) A veteran died or was injured as a result of combat action or a

23 veteran's death or injury was certified by the Department of Veterans' Affairs
24 medical authority to be attributable to an illness or accident that occurred while
25 serving in combat, or became eighty percent disabled as a result of injuries or
26 accidents sustained in combat action after September 11, 2001; and

27 (c) "Combat veteran", a Missouri resident who is discharged for active
28 duty service having served since September 11, 2001, and received a DD214 in
29 a geographic area entitled to receive combat pay tax exclusion exemption,
30 hazardous duty pay, or imminent danger pay, or hostile fire pay;

31 (7) "Survivor", an eligible student of a qualifying military member;

32 (8) "Tuition", any tuition or incidental fee, or both, charged by an
33 institution of postsecondary education for attendance at the institution by a
34 student as a resident of this state. The tuition grant shall not exceed the amount
35 of tuition charged a Missouri resident at the University of Missouri-Columbia for
36 attendance.

37 2. Within the limits of the amounts appropriated therefor, the
38 coordinating board for higher education shall award annually up to twenty-five
39 grants to survivors of qualifying military members to attend institutions of
40 postsecondary education in this state, which shall continue to be awarded
41 annually to eligible recipients as long as the recipient achieves and maintains a
42 cumulative grade point average of at least two and one-half on a four-point scale,
43 or its equivalent. If the waiting list of eligible survivors exceeds fifty, the
44 coordinating board may petition the general assembly to expand the quota. If the
45 quota is not expanded, then the eligibility of survivors on the waiting list shall
46 be extended.

47 3. A survivor may receive a grant under this section only so long as the
48 survivor is enrolled in a program leading to a certificate, or an associate or
49 baccalaureate degree. In no event shall a survivor receive a grant beyond the
50 completion of the first baccalaureate degree, regardless of age.

51 4. The coordinating board for higher education shall:

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

54 (2) Provide the forms and determine the procedures necessary for a
55 survivor to apply for and receive a grant under this section.

56 5. Any rule or portion of a rule, as that term is defined in section 536.010,
57 that is created under the authority delegated in this section shall become effective
58 only if it complies with and is subject to all of the provisions of chapter 536 and,

59 if applicable, section 536.028. This section and chapter 536 are nonseverable and
60 if any of the powers vested with the general assembly pursuant to chapter 536 to
61 review, to delay the effective date, or to disapprove and annul a rule are
62 subsequently held unconstitutional, then the grant of rulemaking authority and
63 any rule proposed or adopted after August 28, 2008, shall be invalid and void.

64 6. In order to be eligible to receive a grant under this section, a survivor
65 shall be certified as eligible by the Missouri veterans' commission.

66 7. A survivor who is enrolled or has been accepted for enrollment as an
67 undergraduate postsecondary student at an approved institution of postsecondary
68 education, and who is selected to receive a grant under this section, shall receive
69 the following:

70 (1) An amount not to exceed the actual tuition charged at the approved
71 institution of postsecondary education where the survivor is enrolled or accepted
72 for enrollment;

73 (2) An allowance of up to two thousand dollars per semester for room and
74 board; and

75 (3) The actual cost of books, up to a maximum of five hundred dollars per
76 semester.

77 8. A survivor who is a recipient of a grant may transfer from one approved
78 public institution of postsecondary education to another without losing his or her
79 entitlement under this section. The board shall make necessary adjustments in
80 the amount of the grant. If a grant recipient at any time withdraws from the
81 institution of postsecondary education so that under the rules and regulations of
82 that institution he or she is entitled to a refund of any tuition, fees, room and
83 board, books, or other charges, the institution shall pay the portion of the refund
84 to which he or she is entitled attributable to the grant for that semester or
85 similar grading period to the board.

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

89 10. Nothing in this section shall be construed as a promise or guarantee
90 that a person will be admitted to an institution of postsecondary education or to
91 a particular institution of postsecondary education, will be allowed to continue to
92 attend an institution of postsecondary education after having been admitted, or
93 will be graduated from an institution of postsecondary education.

94 11. The benefits conferred by this section shall be available to any

95 academically eligible student of a qualifying military member. Surviving children
96 who are eligible shall be permitted to apply for full benefits conferred by this
97 section until they reach twenty-five years of age.

98 12. Pursuant to section 23.253 of the Missouri sunset act:

99 (1) The provisions of the new program authorized under this section shall
100 be reauthorized as of June 13, 2016, and shall expire on August 28, 2020, unless
101 reauthorized by an act of the general assembly; and

102 (2) If such program is reauthorized, the program authorized under this
103 section shall sunset automatically twelve years after June 13, 2016; and

104 (3) This section shall terminate on September first of the calendar year
105 immediately following the calendar year in which the program authorized under
106 this section is sunset.

173.616. 1. The following schools, training programs, and courses of
2 instruction shall 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
5 advisory committee of the coordinating board for higher education as provided in
6 subsection 3 of section 173.005;

7 (3) An institution that is certified by the board as an "approved private
8 institution" under subdivision (2) of **subsection 1 of** section 173.1102;

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

14 (5) Beginning July 1, 2008, all out-of-state public institutions of higher
15 education, as such term is defined in subdivision (13) of subsection 2 of section
16 173.005.

17 2. The coordinating board shall exempt the following schools, training
18 programs and courses of instruction from the provisions of sections 173.600 to
19 173.618:

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

24 (2) A not-for-profit school owned, controlled and operated by a bona fide

25 eleemosynary organization which provides instruction with no financial charge
26 to its students and at which no part of the instructional cost is defrayed by or
27 through programs of governmental student financial aid, including grants and
28 loans, provided directly to or for individual students;

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

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

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

41 (6) A school or person whose clientele are primarily students aged sixteen
42 or under;

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

44 3. A school which is otherwise licensed and approved under and pursuant
45 to any other licensing law of this state shall be exempt from sections 173.600 to
46 173.618, but a state certificate of incorporation shall not constitute licensing for
47 the purpose of sections 173.600 to 173.618.

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

173.1101. The financial assistance program established under sections
2 173.1101 to 173.1107 shall be hereafter known as the "Access Missouri Financial

3 Assistance Program". The coordinating board and all approved private [and],
4 public, **and virtual** institutions in this state shall refer to the financial
5 assistance program established under sections 173.1101 to 173.1107 as the access
6 Missouri student financial assistance program in their scholarship literature,
7 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;

17 (d) Does not discriminate in the hiring of administrators, faculty and staff
18 or in the admission of students on the basis of race, color, religion, sex, or
19 national origin and is in compliance with the Federal Civil Rights Acts of 1964
20 and 1968 and executive orders issued pursuant thereto. Sex discrimination as
21 used herein shall not apply to admission practices of institutions offering the
22 enrollment limited to one sex;

23 (e) Permits faculty members to select textbooks without influence or
24 pressure by any religious or sectarian source;

25 (3) "Approved public institution", an educational institution located in
26 Missouri which:

27 (a) Is directly controlled or administered by a public agency or political
28 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;

33 (d) Meets the standards for accreditation as determined by either the
34 Higher Learning Commission, or if a public community college created under the
35 provisions of sections 178.370 to 178.400 meets the standards established by the
36 coordinating board for higher education for such public community colleges, or by
37 other accrediting bodies recognized by the United States Department of Education
38 or by utilizing accreditation standards applicable to the institution as established
39 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;

46 (4) **"Approved virtual institution", an educational institution that**
47 **meets all of the following requirements:**

48 (a) **Is recognized as a qualifying institution by gubernatorial**
49 **executive order, unless such order is rescinded;**

50 (b) **Is recognized as a qualifying institution through a**
51 **memorandum of understanding between the state of Missouri and the**
52 **approved virtual institution;**

53 (c) **Is accredited by a regional accrediting agency recognized by**
54 **the United States Department of Education;**

55 (d) **Has established and continuously maintains a physical**
56 **campus or location of operation within the state of Missouri;**

57 (e) **Maintains at least twenty-five full-time Missouri employees,**
58 **at least one-half of which shall be faculty or administrators engaged in**
59 **operations;**

60 (f) **Enrolls at least one thousand Missouri residents as degree or**
61 **certificate seeking students;**

62 (g) **Maintains a governing body or advisory board based in**
63 **Missouri with oversight of Missouri operations;**

64 (h) **Is organized as a nonprofit institution; and**

- 65 (i) Utilizes an exclusively competency-based education model;
- 66 (5) "Coordinating board", the coordinating board for higher education;
- 67 [(5)] (6) "Expected family contribution", the amount of money a student
68 and family should pay toward the cost of postsecondary education as calculated
69 by the United States Department of Education and reported on the student aid
70 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
74 carrying 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
76 toward which he or she is working in no more than the number of semesters or
77 their equivalent normally required by that institution in the program in which
78 the individual is enrolled. This definition shall be construed as the successor to
79 subdivision (7) of section 173.205 for purposes of eligibility requirements of other
80 financial assistance programs that refer to section 173.205.

81 **2. The failure of an approved virtual institution to continuously**
82 **maintain all of the requirements in paragraphs (a) to (i) of subdivision**
83 **(4) of subsection 1 of this section shall preclude such institution's**
84 **students or applicants from being eligible for assistance under sections**
85 **173.1104 and 173.1105.**

173.1104. 1. An applicant shall be eligible for initial or renewed financial
2 assistance only if, at the time of application and throughout the period during
3 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
13 offense during the period of time in which the applicant is receiving financial
14 assistance, such applicant shall not be eligible for renewal of such assistance,
15 provided such offense would disqualify the applicant from receiving federal

16 student aid under Title IV of the Higher Education Act of 1965, as amended.

17 3. Financial assistance shall be allotted for one academic year, but a
18 recipient shall be eligible for renewed assistance until he or she has obtained a
19 baccalaureate degree, provided such financial assistance shall not exceed a total
20 of ten semesters or fifteen quarters or their equivalent. Standards of eligibility
21 for renewed assistance shall be the same as for an initial award of financial
22 assistance, except that for renewal, an applicant shall demonstrate a grade-point
23 average of two and five-tenths on a four-point scale, or the equivalent on another
24 scale. This subsection shall be construed as the successor to section 173.215 for
25 purposes of eligibility requirements of other financial assistance programs that
26 refer to section 173.215.

173.1105. 1. An applicant who is an undergraduate postsecondary
2 student at an approved private [or], public, **or virtual** institution and who meets
3 the other eligibility criteria shall be eligible for financial assistance, with a
4 minimum and maximum award amount as follows:

5 (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;

13 (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**.

21 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
23 institution. Maximum award amounts for an eligible student with an expected
24 family contribution above seven thousand dollars shall be reduced by ten percent
25 of the maximum expected family contribution for his or her increment group. Any

26 award amount shall be reduced by the amount of a student's payment from the
27 A+ schools program or any successor program to it. For purposes of this
28 subsection, the term "increment group" shall mean a group organized by expected
29 family contribution in five hundred dollar increments into which all eligible
30 students shall be placed.

31 3. If appropriated funds are insufficient to fund the program as described,
32 the maximum award shall be reduced across all sectors by the percentage of the
33 shortfall. If appropriated funds exceed the amount necessary to fund the
34 program, the additional funds shall be used to increase the number of recipients
35 by raising the cutoff for the expected family contribution rather than by
36 increasing the size of the award.

37 4. Every three years, beginning with academic year 2009-10, the award
38 amount may be adjusted to increase no more than the Consumer Price Index for
39 All Urban Consumers (CPI-U), 1982-1984 = 100, not seasonally adjusted, as
40 defined and officially recorded by the United States Department of Labor, or its
41 successor agency, for the previous academic year. The coordinating board shall
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
44 of funds necessary to maintain full funding of the program based on the baseline
45 established for the program upon the effective date of sections 173.1101 to
46 173.1107. Any increase in the award amount shall not become effective unless
47 an increase in the amount of money appropriated to the program necessary to
48 cover the increase in award amount is passed by the general assembly.

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

173.1150. 1. Notwithstanding any provision of law to the contrary, any
2 individual who is in the process of separating from any branch of the military
3 forces of the United States with an honorable discharge or a general discharge

4 shall have student resident status for purposes of admission and in-state tuition
5 at any approved public four-year institution in Missouri or in-state, in-district
6 tuition at any approved two-year institution in Missouri.

7 2. To be eligible for student resident status under this section, any such
8 individual shall demonstrate presence and declare residency within the state of
9 Missouri. For purposes of attending a community college, an individual shall
10 demonstrate presence and declare residency within the taxing district of the
11 community college he or she attends.

12 3. The coordinating board for higher education shall promulgate rules to
13 implement this section.

14 4. For purposes of this section, "approved public institution" shall have
15 the same meaning as provided in subdivision (3) of **subsection 1 of** section
16 173.1102.

17 5. Any rule or portion of a rule, as that term is defined in section 536.010,
18 that is created under the authority delegated in this section shall become effective
19 only if it complies with and is subject to all of the provisions of chapter 536 and,
20 if applicable, section 536.028. This section and chapter 536 are nonseverable and
21 if any of the powers vested with the general assembly pursuant to chapter 536 to
22 review, to delay the effective date, or to disapprove and annul a rule are
23 subsequently held unconstitutional, then the grant of rulemaking authority and
24 any rule proposed or adopted after August 28, 2013, shall be invalid and void.

173.1153. 1. Notwithstanding any provision of law to the contrary, any
2 individual who is currently serving in the Missouri National Guard or in a
3 reserve component of the Armed Forces of the United States shall be deemed to
4 be domiciled in this state for purposes of eligibility for in-state tuition at any
5 approved public institution in Missouri.

6 2. To be eligible for in-state tuition under this section, any such individual
7 shall demonstrate presence within the state of Missouri. For purposes of
8 attending a community college, an individual shall demonstrate presence within
9 the taxing district of the community college he or she attends.

10 3. If any such individual is eligible to receive financial assistance under
11 any other federal or state student aid program, public or private, the full amount
12 of such aid shall be reported to the coordinating board for higher education by the
13 institution and the individual. The tuition limitation under this section shall be
14 provided after all other federal and state aid for which the individual is eligible
15 has been applied, and no individual shall receive more than the actual cost of

16 attendance when the limitation is combined with other aid made available to such
17 individual.

18 4. The coordinating board for higher education shall promulgate rules to
19 implement this section.

20 5. For purposes of this section, "approved public institution" shall have
21 the same meaning as provided in subdivision (3) of **subsection 1 of** section
22 173.1102.

23 6. Any rule or portion of a rule, as that term is defined in section 536.010,
24 that is created under the authority delegated in this section shall become effective
25 only if it complies with and is subject to all of the provisions of chapter 536 and,
26 if applicable, section 536.028. This section and chapter 536 are nonseverable and
27 if any of the powers vested with the general assembly pursuant to chapter 536 to
28 review, to delay the effective date, or to disapprove and annul a rule are
29 subsequently held unconstitutional, then the grant of rulemaking authority and
30 any rule proposed or adopted after August 28, 2016, shall be invalid and void.

✓
Bill

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