

SENATE SUBSTITUTE  
FOR  
SENATE COMMITTEE SUBSTITUTE  
FOR  
SENATE BILL NO. 160

AN ACT

To repeal sections 160.410, 160.415, 162.081, 163.018, 167.125, 167.131, 167.151, and 167.241, RSMo, and to enact in lieu thereof twenty-five new sections relating to alternative education options for students, with penalty provisions and an emergency clause for certain sections.

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

1           Section A. Sections 160.410, 160.415, 162.081, 163.018,  
2           167.125, 167.131, 167.151, and 167.241, RSMo, are repealed and  
3           twenty-five new sections enacted in lieu thereof, to be known as  
4           sections 135.712, 135.713, 135.714, 135.716, 135.719, 160.410,  
5           160.415, 162.081, 162.1323, 163.018, 166.700, 166.705, 166.710,  
6           166.715, 166.720, 166.725, 167.125, 167.131, 167.132, 167.151,  
7           167.241, 167.890, 167.895, 167.898, and 173.2553, to read as  
8           follows:

9           135.712. 1. Sections 135.712 to 135.719 and sections  
10          166.700 to 166.725 establish the "Missouri Empowerment  
11          Scholarship Accounts Program" to provide options toward ensuring  
12          the education of students in this state.

13          2. As used in sections 135.712 to 135.719, the following  
14          terms mean:

15          (1) "District" or "school district", the same meaning as

1 used in section 160.011;

2 (2) "Educational assistance organization", a charitable  
3 organization registered in this state that is exempt from federal  
4 taxation under the Internal Revenue Code of 1986, as amended, is  
5 certified by the state treasurer, and that allocates all of its  
6 annual revenue for educational assistance, except as provided in  
7 paragraph (c) of subdivision (4) of subsection 1 of section  
8 135.714 and as provided for in sections 135.712 to 135.719,  
9 derived from contributions for which a credit is claimed under  
10 section 135.713 and that does not discriminate on the basis of  
11 race, color, or national origin;

12 (3) "Parent", a parent, guardian, custodian, or other  
13 person with authority to act on behalf of the qualified student;

14 (4) "Program", the Missouri empowerment scholarship  
15 accounts program established under sections 135.712 to 135.719  
16 and sections 166.700 to 166.725;

17 (5) "Qualified student", the same meaning as used in  
18 section 166.700;

19 (6) "Qualifying contribution", a donation of cash, stock,  
20 bonds, or other marketable securities for purposes of claiming a  
21 tax credit under sections 135.712 to 135.719;

22 (7) "Scholarship account", a savings account created by the  
23 Missouri empowerment scholarship accounts program authorized by  
24 sections 166.700 to 166.725;

25 (8) "Taxpayer", an individual subject to the state income  
26 tax imposed in chapter 143; an individual, a firm, a partner in a  
27 firm, corporation, or a shareholder in an S corporation doing  
28 business in this state and subject to the state income tax

1 imposed by chapter 143; or an express company that pays an annual  
2 tax on its gross receipts in this state under chapter 153, which  
3 files a Missouri income tax return and is not a dependent of any  
4 other taxpayer.

5 135.713. 1. For all fiscal years beginning on or after  
6 July 1, 2020, any taxpayer who makes a qualifying contribution to  
7 an educational assistance organization may claim a credit against  
8 the tax otherwise due under chapter 143, other than taxes  
9 withheld under sections 143.191 to 143.265, and chapter 153, in  
10 an amount equal to eighty-five percent of the amount the taxpayer  
11 contributed during the tax year for which the credit is claimed.  
12 No taxpayer shall claim a credit under sections 135.712 to  
13 135.719 for any contribution made by the taxpayer, or an agent of  
14 the taxpayer, on behalf of the taxpayer's dependent, or in the  
15 case of a business taxpayer, on behalf of the business's agent's  
16 dependent.

17 2. The amount of the tax credit claimed shall not exceed  
18 fifty percent of the taxpayer's state tax liability for the tax  
19 year for which the credit is claimed. The state treasurer shall  
20 certify the tax credit amount to the taxpayer. A taxpayer may  
21 carry the credit forward to any of such taxpayer's four  
22 subsequent tax years. All tax credits authorized under the  
23 program shall not be transferred, sold, or assigned, and are not  
24 refundable.

25 3. The cumulative amount of tax credits that may be  
26 allocated to all taxpayers contributing to educational assistance  
27 organizations in any one calendar year shall not exceed fifteen  
28 million in the first year, fifteen million in the second year,

1 and twenty-five million dollars in the third year and each  
2 subsequent year, which amount shall annually be adjusted by the  
3 state treasurer for inflation based on the consumer price index  
4 for all urban consumers for the Midwest region, as defined and  
5 officially recorded by the United States Department of Labor or  
6 its successor. The state treasurer shall establish a procedure  
7 by which the tax credits shall be allocated on a first come,  
8 first served basis. The state treasurer shall establish the  
9 procedure described in this subsection in such a manner as to  
10 ensure that taxpayers can claim all the tax credits possible up  
11 to the cumulative amount of tax credits available for the  
12 calendar year.

13 135.714. 1. Each educational assistance organization  
14 shall:

15 (1) Notify the state treasurer of its intent to provide  
16 scholarship accounts to qualified students;

17 (2) Demonstrate to the state treasurer that it is exempt  
18 from federal income tax under Section 501(c)(3) of the Internal  
19 Revenue Code of 1986, as amended;

20 (3) Provide a state treasurer-approved receipt to taxpayers  
21 for contributions made to the organization;

22 (4) Ensure that:

23 (a) One hundred percent of its revenues from interest or  
24 investments is spent on scholarship accounts;

25 (b) At least ninety percent of its revenues from qualifying  
26 contributions is spent on scholarship accounts; and

27 (c) Marketing and administrative expenses shall not exceed  
28 the following limits of its remaining revenue from contributions:

1 ten percent for the first two hundred fifty thousand dollars,  
2 eight percent for the next five hundred thousand dollars, and  
3 three percent thereafter;

4 (5) Distribute scholarship accounts payments either four  
5 times per year or in a single lump sum at the beginning of the  
6 year as requested by the parent or guardian of a qualified  
7 student, not to exceed a total grant amount equal to the state  
8 adequacy target as defined in section 163.011 and calculated by  
9 the department of elementary and secondary education, in the form  
10 of a deposit into the scholarship account of the qualified  
11 student;

12 (6) Carry forward no more than twenty-five percent of  
13 revenue from contributions from the state fiscal year in which  
14 they were received to the following state fiscal year;

15 (7) Provide the state treasurer, upon request, with  
16 criminal background checks on all its employees and board  
17 members, and exclude from employment or governance any individual  
18 that might reasonably pose a risk to the appropriate use of  
19 contributed funds;

20 (8) Annually administer either the state achievement tests  
21 or nationally norm-referenced tests that measure learning gains  
22 in math and English language arts, and provide for value-added  
23 assessment, to all participating students in grades that require  
24 testing under the statewide assessment system set forth in  
25 section 160.518;

26 (9) Allow costs of the testing requirements to be covered  
27 by the scholarships distributed by the educational assistance  
28 organization;

1       (10) Provide the parents of each student who was tested  
2 with a copy of the results of the tests on an annual basis,  
3 beginning with the first year of testing;

4       (11) Provide the test results to the state treasurer on an  
5 annual basis, beginning with the first year of testing;

6       (12) Report student information that would allow the state  
7 treasurer to aggregate data by grade level, gender, family income  
8 level, and race;

9       (13) Provide rates of high school graduation, college  
10 attendance and college graduation for participating students to  
11 the state treasurer in a manner consistent with nationally  
12 recognized standards; and

13       (14) Provide to the state treasurer the results from an  
14 annual parental satisfaction survey, including information about  
15 the number of years that the parent's child has participated in  
16 the scholarship program. The annual satisfaction survey shall  
17 ask parents of scholarship students to express:

18       (a) Their satisfaction with their child's academic  
19 achievement, including academic achievement at the school their  
20 child attended through the scholarship program versus academic  
21 achievement at the school previously attended;

22       (b) Their satisfaction with school safety at the schools  
23 their child attends through the scholarship program versus safety  
24 at the schools previously attended;

25       (c) Whether their child would have been able to attend  
26 their school of choice without the scholarship; and

27       (d) Their opinions on other topics, items, or issues that  
28 the state treasurer finds would elicit information about the

1 effectiveness of the scholarship program.

2 (15) Demonstrate its financial accountability by:

3 (a) Submitting to the state treasurer annual audit  
4 financial statements by a certified public accountant within six  
5 months of the end of the educational assistance organization's  
6 fiscal year which shall include:

7 (1) The name and address of the educational assistance  
8 organization;

9 (2) The total number and total dollar amount of  
10 contributions received during the previous calendar year; and

11 (3) The total number and total dollar amount of scholarship  
12 accounts opened during the previous calendar year; and

13 (b) Having an auditor certify that the report is free of  
14 material misstatements;

15 (16) Demonstrate its financial viability, if it is to  
16 receive donations of fifty thousand dollars or more during the  
17 school year, by filing with the state treasurer before the start  
18 of the school year a surety bond or insurance policy payable to  
19 the state in an amount equal to the aggregate amount of  
20 contributions expected to be received during the school year or  
21 other financial information that demonstrates the financial  
22 viability of the educational assistance organization.

23 2. The state treasurer shall:

24 (1) Ensure compliance with all student privacy laws for  
25 data in the state treasurer's possession;

26 (2) Collect all test results;

27 (3) Provide the test results and associated learning gains  
28 to the public via a state website after the third year of test

1 and test-related data collection. The findings shall be  
2 aggregated by the students grade level, gender, family income  
3 level, number of years of participation in the scholarship  
4 program, and race; and

5 (4) Provide graduation rates to the public via a state  
6 website after the third year of test and test-related data  
7 collection.

8 3. An educational assistance organization may contract with  
9 private financial management firms to manage scholarship accounts  
10 with the supervision of the state.

11 135.716. 1. The state treasurer shall provide a  
12 standardized format for a receipt to be issued by an educational  
13 assistance organization to a taxpayer to indicate the value of a  
14 contribution received. The state treasurer shall require a  
15 taxpayer to provide a copy of this receipt if claiming the tax  
16 credit authorized by the program.

17 2. The state treasurer shall provide a standardized format  
18 for educational assistance organizations to report the  
19 information required in subsection 1 of this section.

20 3. The state treasurer or state auditor may conduct an  
21 investigation if the state treasurer possesses evidence of fraud  
22 committed by the organization.

23 4. The state treasurer may bar an educational assistance  
24 organization from participating in the program if the state  
25 treasurer establishes that the educational assistance  
26 organization has intentionally and substantially failed to comply  
27 with the requirements in section 135.714. If the state treasurer  
28 bars an educational assistance organization from the program



1 under this subsection, it shall notify affected qualified  
2 students and their parents of the decision as soon as possible  
3 after the determination is made.

4 5. The state treasurer shall issue a report on the state of  
5 the Missouri empowerment scholarship accounts program five years  
6 after it goes into effect. The report shall include, but is not  
7 limited to:

8 (1) Information regarding the finances of the educational  
9 assistance organizations; and

10 (2) Educational outcomes of qualified students.

11 135.719. 1. The state treasurer may promulgate rules to  
12 implement the provisions of sections 135.712 to 135.719. Any  
13 rule or portion of a rule, as that term is defined in section  
14 536.010 that is created under the authority delegated in this  
15 section shall become effective only if it complies with and is  
16 subject to all of the provisions of chapter 536, and, if  
17 applicable, section 536.028. This section and chapter 536 are  
18 nonseverable and if any of the powers vested with the general  
19 assembly pursuant to chapter 536, to review, to delay the  
20 effective date, or to disapprove and annul a rule are  
21 subsequently held unconstitutional, then the grant of rulemaking  
22 authority and any rule proposed or adopted after August 28, 2019,  
23 shall be invalid and void.

24 2. The provisions of section 23.253 of the Missouri sunset  
25 act shall not apply to sections 135.712 to 135.719 and sections  
26 166.700 to 166.725.

27 160.410. 1. A charter school shall enroll:

28 (1) All pupils resident in the district in which it

1 operates;

2 (2) Nonresident pupils eligible to attend a district's  
3 school under an urban voluntary transfer program;

4 (3) Nonresident pupils who transfer from an unaccredited  
5 district under section ~~[167.131]~~ 167.895, provided that the  
6 charter school is an approved charter school, as defined in  
7 section ~~[167.131]~~ 167.895, and subject to all other provisions of  
8 section ~~[167.131]~~ 167.895;

9 (4) In the case of a charter school whose mission includes  
10 student drop-out prevention or recovery, any nonresident pupil  
11 from the same or an adjacent county who resides in a residential  
12 care facility, a transitional living group home, or an  
13 independent living program whose last school of enrollment is in  
14 the school district where the charter school is established, who  
15 submits a timely application; and

16 (5) In the case of a workplace charter school, any student  
17 eligible to attend under subdivision (1) or (2) of this  
18 subsection whose parent is employed in the business district, who  
19 submits a timely application, unless the number of applications  
20 exceeds the capacity of a program, class, grade level or  
21 building. The configuration of a business district shall be set  
22 forth in the charter and shall not be construed to create an  
23 undue advantage for a single employer or small number of  
24 employers.

25 2. If capacity is insufficient to enroll all pupils who  
26 submit a timely application, the charter school shall have an  
27 admissions process that assures all applicants of an equal chance  
28 of gaining admission and does not discriminate based on parents'

1 ability to pay fees or tuition except that:

2 (1) A charter school may establish a geographical area  
3 around the school whose residents will receive a preference for  
4 enrolling in the school, provided that such preferences do not  
5 result in the establishment of racially or socioeconomically  
6 isolated schools and provided such preferences conform to  
7 policies and guidelines established by the state board of  
8 education;

9 (2) A charter school may also give a preference for  
10 admission of children whose siblings attend the school or whose  
11 parents are employed at the school or in the case of a workplace  
12 charter school, a child whose parent is employed in the business  
13 district or at the business site of such school; and

14 (3) Charter schools may also give a preference for  
15 admission to high-risk students, as defined in subdivision (5) of  
16 subsection 2 of section 160.405, when the school targets these  
17 students through its proposed mission, curriculum, teaching  
18 methods, and services.

19 3. A charter school shall not limit admission based on  
20 race, ethnicity, national origin, disability, income level,  
21 proficiency in the English language or athletic ability, but may  
22 limit admission to pupils within a given age group or grade  
23 level. Charter schools may limit admission based on gender only  
24 when the school is a single-gender school. Students of a charter  
25 school who have been enrolled for a full academic year shall be  
26 counted in the performance of the charter school on the statewide  
27 assessments in that calendar year, unless otherwise exempted as  
28 English language learners. For purposes of this subsection,

1 "full academic year" means the last Wednesday in September  
2 through the administration of the Missouri assessment program  
3 test without transferring out of the school and re-enrolling.

4 4. A charter school shall make available for public  
5 inspection, and provide upon request, to the parent, guardian, or  
6 other custodian of any school-age pupil resident in the district  
7 in which the school is located the following information:

8 (1) The school's charter;

9 (2) The school's most recent annual report card published  
10 according to section 160.522;

11 (3) The results of background checks on the charter  
12 school's board members; and

13 (4) If a charter school is operated by a management  
14 company, a copy of the written contract between the governing  
15 board of the charter school and the educational management  
16 organization or the charter management organization for services.  
17 The charter school may charge reasonable fees, not to exceed the  
18 rate specified in section 610.026 for furnishing copies of  
19 documents under this subsection.

20 5. When a student attending a charter school who is a  
21 resident of the school district in which the charter school is  
22 located moves out of the boundaries of such school district, the  
23 student may complete the current semester and shall be considered  
24 a resident student. The student's parent or legal guardian shall  
25 be responsible for the student's transportation to and from the  
26 charter school.

27 6. If a change in school district boundary lines occurs  
28 under section 162.223, 162.431, 162.441, or 162.451, or by action

1 of the state board of education under section 162.081, including  
2 attachment of a school district's territory to another district  
3 or dissolution, such that a student attending a charter school  
4 prior to such change no longer resides in a school district in  
5 which the charter school is located, then the student may  
6 complete the current academic year at the charter school. The  
7 student shall be considered a resident student. The student's  
8 parent or legal guardian shall be responsible for the student's  
9 transportation to and from the charter school.

10 7. The provisions of sections 167.018 and 167.019  
11 concerning foster children's educational rights are applicable to  
12 charter schools.

13 160.415. 1. For the purposes of calculation and  
14 distribution of state school aid under section 163.031, pupils  
15 enrolled in a charter school shall be included in the pupil  
16 enrollment of the school district within which each pupil  
17 resides. Each charter school shall report the names, addresses,  
18 and eligibility for free and reduced price lunch, special  
19 education, or limited English proficiency status, as well as  
20 eligibility for categorical aid, of pupils resident in a school  
21 district who are enrolled in the charter school to the school  
22 district in which those pupils reside. The charter school shall  
23 report the average daily attendance data, free and reduced price  
24 lunch count, special education pupil count, and limited English  
25 proficiency pupil count to the state department of elementary and  
26 secondary education. Each charter school shall promptly notify  
27 the state department of elementary and secondary education and  
28 the pupil's school district when a student discontinues

1 enrollment at a charter school.

2 2. Except as provided in subsections 3 and 4 of this  
3 section, the aid payments for charter schools shall be as  
4 described in this subsection.

5 (1) A school district having one or more resident pupils  
6 attending a charter school shall pay to the charter school an  
7 annual amount equal to the product of the charter school's  
8 weighted average daily attendance and the state adequacy target,  
9 multiplied by the dollar value modifier for the district, plus  
10 local tax revenues per weighted average daily attendance from the  
11 incidental and teachers' funds in excess of the performance levy  
12 as defined in section 163.011 plus all other state aid  
13 attributable to such pupils.

14 (2) The district of residence of a pupil attending a  
15 charter school shall also pay to the charter school any other  
16 federal or state aid that the district receives on account of  
17 such child.

18 (3) If the department overpays or underpays the amount due  
19 to the charter school, such overpayment or underpayment shall be  
20 repaid by the public charter school or credited to the public  
21 charter school in twelve equal payments in the next fiscal year.

22 (4) The amounts provided pursuant to this subsection shall  
23 be prorated for partial year enrollment for a pupil.

24 (5) A school district shall pay the amounts due pursuant to  
25 this subsection as the disbursal agent and no later than twenty  
26 days following the receipt of any such funds. The department of  
27 elementary and secondary education shall pay the amounts due when  
28 it acts as the disbursal agent within five days of the required

1 due date.

2 3. A workplace charter school shall receive payment for  
3 each eligible pupil as provided under subsection 2 of this  
4 section, except that if the student is not a resident of the  
5 district and is participating in a voluntary interdistrict  
6 transfer program, the payment for such pupils shall be the same  
7 as provided under section 162.1060.

8 4. A charter school that has declared itself as a local  
9 educational agency shall receive from the department of  
10 elementary and secondary education an annual amount equal to the  
11 product of the charter school's weighted average daily attendance  
12 and the state adequacy target, multiplied by the dollar value  
13 modifier for the district, plus local tax revenues per weighted  
14 average daily attendance from the incidental and teachers funds  
15 in excess of the performance levy as defined in section 163.011  
16 plus all other state aid attributable to such pupils. If a  
17 charter school declares itself as a local educational agency, the  
18 department of elementary and secondary education shall, upon  
19 notice of the declaration, reduce the payment made to the school  
20 district by the amount specified in this subsection and pay  
21 directly to the charter school the annual amount reduced from the  
22 school district's payment.

23 5. If a school district fails to make timely payments of  
24 any amount for which it is the disbursal agent, the state  
25 department of elementary and secondary education shall authorize  
26 payment to the charter school of the amount due pursuant to  
27 subsection 2 of this section and shall deduct the same amount  
28 from the next state school aid apportionment to the owing school

1 district. If a charter school is paid more or less than the  
2 amounts due pursuant to this section, the amount of overpayment  
3 or underpayment shall be adjusted equally in the next twelve  
4 payments by the school district or the department of elementary  
5 and secondary education, as appropriate. Any dispute between the  
6 school district and a charter school as to the amount owing to  
7 the charter school shall be resolved by the department of  
8 elementary and secondary education, and the department's decision  
9 shall be the final administrative action for the purposes of  
10 review pursuant to chapter 536. During the period of dispute,  
11 the department of elementary and secondary education shall make  
12 every administrative and statutory effort to allow the continued  
13 education of children in their current public charter school  
14 setting.

15 6. The charter school and a local school board may agree by  
16 contract for services to be provided by the school district to  
17 the charter school. The charter school may contract with any  
18 other entity for services. Such services may include but are not  
19 limited to food service, custodial service, maintenance,  
20 management assistance, curriculum assistance, media services and  
21 libraries and shall be subject to negotiation between the charter  
22 school and the local school board or other entity. Documented  
23 actual costs of such services shall be paid for by the charter  
24 school.

25 7. In the case of a proposed charter school that intends to  
26 contract with an education service provider for substantial  
27 educational services or management services, the request for  
28 proposals shall additionally require the charter school applicant



1 to:

2 (1) Provide evidence of the education service provider's  
3 success in serving student populations similar to the targeted  
4 population, including demonstrated academic achievement as well  
5 as successful management of nonacademic school functions, if  
6 applicable;

7 (2) Provide a term sheet setting forth the proposed  
8 duration of the service contract; roles and responsibilities of  
9 the governing board, the school staff, and the service provider;  
10 scope of services and resources to be provided by the service  
11 provider; performance evaluation measures and time lines;  
12 compensation structure, including clear identification of all  
13 fees to be paid to the service provider; methods of contract  
14 oversight and enforcement; investment disclosure; and conditions  
15 for renewal and termination of the contract;

16 (3) Disclose any known conflicts of interest between the  
17 school governing board and proposed service provider or any  
18 affiliated business entities;

19 (4) Disclose and explain any termination or nonrenewal of  
20 contracts for equivalent services for any other charter school in  
21 the United States within the past five years;

22 (5) Ensure that the legal counsel for the charter school  
23 shall report directly to the charter school's governing board;  
24 and

25 (6) Provide a process to ensure that the expenditures that  
26 the education service provider intends to bill to the charter  
27 school shall receive prior approval of the governing board or its  
28 designee.

1           8. A charter school may enter into contracts with community  
2 partnerships and state agencies acting in collaboration with such  
3 partnerships that provide services to children and their families  
4 linked to the school.

5           9. A charter school shall be eligible for transportation  
6 state aid pursuant to section 163.161 and shall be free to  
7 contract with the local district, or any other entity, for the  
8 provision of transportation to the students of the charter  
9 school.

10          10. (1) The proportionate share of state and federal  
11 resources generated by students with disabilities or staff  
12 serving them shall be paid in full to charter schools enrolling  
13 those students by their school district where such enrollment is  
14 through a contract for services described in this section. The  
15 proportionate share of money generated under other federal or  
16 state categorical aid programs shall be directed to charter  
17 schools serving such students eligible for that aid.

18          (2) A charter school shall provide the special services  
19 provided pursuant to section 162.705 and may provide the special  
20 services pursuant to a contract with a school district or any  
21 provider of such services.

22          11. A charter school may not charge tuition or impose fees  
23 that a school district is prohibited from charging or imposing,  
24 except that a charter school may receive tuition payments from  
25 districts in the same or an adjoining county for nonresident  
26 students who transfer to an approved charter school, as defined  
27 in section ~~[167.131]~~ 167.895, from an unaccredited district.

28          12. A charter school is authorized to incur debt in

1 anticipation of receipt of funds. A charter school may also  
2 borrow to finance facilities and other capital items. A school  
3 district may incur bonded indebtedness or take other measures to  
4 provide for physical facilities and other capital items for  
5 charter schools that it sponsors or contracts with. Except as  
6 otherwise specifically provided in sections 160.400 to 160.425,  
7 upon the dissolution of a charter school, any liabilities of the  
8 corporation will be satisfied through the procedures of chapter  
9 355. A charter school shall satisfy all its financial  
10 obligations within twelve months of notice from the sponsor of  
11 the charter school's closure under subsection 8 of section  
12 160.405. After satisfaction of all its financial obligations, a  
13 charter school shall return any remaining state and federal funds  
14 to the department of elementary and secondary education for  
15 disposition as stated in subdivision (17) of subsection 1 of  
16 section 160.405. The department of elementary and secondary  
17 education may withhold funding at a level the department  
18 determines to be adequate during a school's last year of  
19 operation until the department determines that school records,  
20 liabilities, and reporting requirements, including a full audit,  
21 are satisfied.

22 13. Charter schools shall not have the power to acquire  
23 property by eminent domain.

24 14. The governing body of a charter school is authorized to  
25 accept grants, gifts or donations of any kind and to expend or  
26 use such grants, gifts or donations. A grant, gift or donation  
27 may not be accepted by the governing body if it is subject to any  
28 condition contrary to law applicable to the charter school or

1 other public schools, or contrary to the terms of the charter.

2 162.081. 1. Whenever any school district in this state  
3 fails or refuses in any school year to provide for the minimum  
4 school term required by section 163.021 or is classified  
5 unaccredited, the state board of education shall, upon a  
6 district's initial classification or reclassification as  
7 unaccredited:

8 (1) Review the governance of the district to establish the  
9 conditions under which the existing school board shall continue  
10 to govern; or

11 (2) Determine the date the district shall lapse and  
12 determine an alternative governing structure for the district.

13 2. If at the time any school district in this state shall  
14 be classified as unaccredited, the department of elementary and  
15 secondary education shall conduct at least two public hearings at  
16 a location in the unaccredited school district regarding the  
17 accreditation status of the school district. The hearings shall  
18 provide an opportunity to convene community resources that may be  
19 useful or necessary in supporting the school district as it  
20 attempts to return to accredited status, continues under revised  
21 governance, or plans for continuity of educational services and  
22 resources upon its attachment to a neighboring district. The  
23 department may request the attendance of stakeholders and  
24 district officials to review the district's plan to return to  
25 accredited status, if any; offer technical assistance; and  
26 facilitate and coordinate community resources. Such hearings  
27 shall be conducted at least twice annually for every year in  
28 which the district remains unaccredited or provisionally

1 accredited.

2 3. Upon classification of a district as unaccredited, the  
3 state board of education may:

4 (1) Allow continued governance by the existing school  
5 district board of education under terms and conditions  
6 established by the state board of education; or

7 (2) Lapse the corporate organization of all or part of the  
8 unaccredited district and:

9 (a) Appoint a special administrative board for the  
10 operation of all or part of the district. If a special  
11 administrative board is appointed for the operation of a part of  
12 a school district, the state board of education shall determine  
13 an equitable apportionment of state and federal aid for the part  
14 of the district and the school district shall provide local  
15 revenue in proportion to the weighted average daily attendance of  
16 the part. The number of members of the special administrative  
17 board shall not be less than five, the majority of whom shall be  
18 residents of the district. The members of the special  
19 administrative board shall reflect the population characteristics  
20 of the district and shall collectively possess strong experience  
21 in school governance, management and finance, and leadership.  
22 The state board of education may appoint members of the  
23 district's elected school board to the special administrative  
24 board, but members of the elected school board shall not comprise  
25 more than forty-nine percent of the special administrative  
26 board's membership. Within fourteen days after the appointment  
27 by the state board of education, the special administrative board  
28 shall organize by the election of a president, vice president,

1 secretary and a treasurer, with their duties and organization as  
2 enumerated in section 162.301. The special administrative board  
3 shall appoint a superintendent of schools to serve as the chief  
4 executive officer of the school district, or a subset of schools,  
5 and to have all powers and duties of any other general  
6 superintendent of schools in a seven-director school district.  
7 Any special administrative board appointed under this section  
8 shall be responsible for the operation of the district or part of  
9 the district until such time that the district is classified by  
10 the state board of education as provisionally accredited for at  
11 least two successive academic years, after which time the state  
12 board of education may provide for a transition pursuant to  
13 section 162.083; or

14 (b) Determine an alternative governing structure for the  
15 district including, at a minimum:

16 a. A rationale for the decision to use an alternative form  
17 of governance and in the absence of the district's achievement of  
18 full accreditation, the state board of education shall review and  
19 recertify the alternative form of governance every three years;

20 b. A method for the residents of the district to provide  
21 public comment after a stated period of time or upon achievement  
22 of specified academic objectives;

23 c. Expectations for progress on academic achievement, which  
24 shall include an anticipated time line for the district to reach  
25 full accreditation; and

26 d. Annual reports to the general assembly and the governor  
27 on the progress towards accreditation of any district that has  
28 been declared unaccredited and is placed under an alternative

1 form of governance, including a review of the effectiveness of  
2 the alternative governance; or

3 (c) Attach the territory of the lapsed district to another  
4 district or districts for school purposes; or

5 (d) Establish one or more school districts within the  
6 territory of the lapsed district, with a governance structure  
7 specified by the state board of education, with the option of  
8 permitting a district to remain intact for the purposes of  
9 assessing, collecting, and distributing property taxes, to be  
10 distributed equitably on a weighted average daily attendance  
11 basis, but to be divided for operational purposes, which shall  
12 take effect sixty days after the adjournment of the regular  
13 session of the general assembly next following the state board's  
14 decision unless a statute or concurrent resolution is enacted to  
15 nullify the state board's decision prior to such effective date.

16 4. If a district remains under continued governance by the  
17 school board under subdivision (1) of subsection 3 of this  
18 section and either has been unaccredited for three consecutive  
19 school years and failed to attain accredited status after the  
20 third school year or has been unaccredited for two consecutive  
21 school years and the state board of education determines its  
22 academic progress is not consistent with attaining accredited  
23 status after the third school year, then the state board of  
24 education shall proceed under subdivision (2) of subsection 3 of  
25 this section in the following school year.

26 5. A special administrative board or any other form of  
27 governance appointed under this section shall retain the  
28 authority granted to a board of education for the operation of

1 the lapsed school district under the laws of the state in effect  
2 at the time of the lapse and may enter into contracts with  
3 accredited school districts or other education service providers  
4 in order to deliver high-quality educational programs to the  
5 residents of the district. If a student graduates while  
6 attending a school building in the district that is operated  
7 under a contract with an accredited school district as specified  
8 under this subsection, the student shall receive his or her  
9 diploma from the accredited school district. The authority of  
10 the special administrative board or any other form of governance  
11 appointed under this section shall expire at the end of the third  
12 full school year following its appointment, unless extended by  
13 the state board of education. If the lapsed district is  
14 reassigned, the [special administrative board] governing board  
15 prior to lapse shall provide an accounting of all funds, assets  
16 and liabilities of the lapsed district and transfer such funds,  
17 assets, and liabilities of the lapsed district as determined by  
18 the state board of education. Neither the special administrative  
19 board nor any other form of governance appointed under this  
20 section nor its members or employees shall be deemed to be the  
21 state or a state agency for any purpose, including section  
22 105.711, et seq. The state of Missouri, its agencies and  
23 employees shall be absolutely immune from liability for any and  
24 all acts or omissions relating to or in any way involving the  
25 lapsed district, [the] a special administrative board, [its] any  
26 other form of governance appointed under this section, or the  
27 members or employees of the lapsed district, a special  
28 administrative board, or any other form of governance appointed



1 under this section. Such immunities, and immunity doctrines as  
2 exist or may hereafter exist benefitting boards of education,  
3 their members and their employees shall be available to the  
4 special administrative board[, its] or any other form of  
5 governance appointed under this section and the members and  
6 employees of the special administrative board or any other form  
7 of governance appointed under this section members and employees.

8 6. Neither the special administrative board nor any other  
9 form of governance appointed under this section nor any district  
10 or other entity assigned territory, assets or funds from a lapsed  
11 district shall be considered a successor entity for the purpose  
12 of employment contracts, unemployment compensation payment  
13 pursuant to section 288.110, or any other purpose.

14 7. If additional teachers are needed by a district as a  
15 result of increased enrollment due to the annexation of territory  
16 of a lapsed or dissolved district, such district shall grant an  
17 employment interview to any permanent teacher of the lapsed or  
18 dissolved district upon the request of such permanent teacher.

19 8. In the event that a school district with an enrollment  
20 in excess of five thousand pupils lapses, no school district  
21 shall have all or any part of such lapsed school district  
22 attached without the approval of the board of the receiving  
23 school district.

24 9. If the state board of education reasonably believes that  
25 a school district is unlikely to provide for the minimum school  
26 term required by section 163.021 because of financial difficulty,  
27 the state board of education may, prior to the start of the  
28 school term:

1       (1) Allow continued governance by the existing district  
2 school board under terms and conditions established by the state  
3 board of education; or

4       (2) Lapse the corporate organization of the district and  
5 implement one of the options available under subdivision (2) of  
6 subsection 3 of this section.

7       10. The provisions of subsection 9 of this section shall  
8 not apply to any district solely on the basis of financial  
9 difficulty resulting from paying tuition and providing  
10 transportation for transfer students under sections 167.895 and  
11 167.898.

12       162.1323. 1. For purposes of this section, "attendance  
13 center" means a public school building, public school buildings,  
14 or part of a public school building that offers education in a  
15 grade or grades not higher than the twelfth grade and that  
16 constitutes one unit for accountability and reporting purposes  
17 for the department of elementary and secondary education.

18       2. (1) If an attendance center receives two or more  
19 consecutive annual performance report scores consistent with a  
20 classification of unaccredited, the district in which the  
21 attendance center is located shall notify the parent or guardian  
22 of any student enrolled in the attendance center of the annual  
23 performance report scores within fourteen business days.

24       (2) If the state board of education classifies any district  
25 as unaccredited, the district shall notify the parent or guardian  
26 of any student enrolled in the unaccredited district of the loss  
27 of accreditation within fourteen business days.

28       3. The district's notice shall include an explanation of

1 which students may be eligible to transfer, the transfer process  
2 under sections 167.895 and 167.898, and any services students may  
3 be entitled to receive. The district's notice shall be written  
4 in a clear, concise, and easy-to-understand manner.

5 4. (1) If the notice concerns an attendance center's  
6 annual performance report scores, the district shall post the  
7 notice in a conspicuous and accessible place in the attendance  
8 center.

9 (2) If the notice concerns a district's loss of  
10 accreditation, the district shall post the notice in a  
11 conspicuous and accessible place in each district attendance  
12 center.

13 5. The district shall send any notice described under this  
14 section to each municipality located within the boundaries of the  
15 district.

16 163.018. 1. (1) Notwithstanding the definition of  
17 "average daily attendance" in subdivision (2) of section 163.011  
18 to the contrary, pupils between the ages of three and five who  
19 are eligible for free and reduced price lunch and attend an early  
20 childhood education program:

21 (a) That is operated by and in a district or by a charter  
22 school that has declared itself as a local educational agency  
23 providing full-day kindergarten and that meets standards  
24 established by the state board of education; or

25 (b) That is under contract with a district or charter  
26 school that has declared itself as a local educational agency and  
27 that meets standards established by the state board of education;  
28

1 shall be included in the district's or charter school's  
2 calculation of average daily attendance. The total number of  
3 such pupils included in the district's or charter school's  
4 calculation of average daily attendance shall not exceed four  
5 percent of the total number of pupils who are eligible for free  
6 and reduced price lunch between the ages of five and eighteen who  
7 are included in the district's or charter school's calculation of  
8 average daily attendance.

9 (2) If a pupil described under subdivision (1) of this  
10 subsection leaves an early childhood education program during the  
11 school year, a district or charter school shall be allowed to  
12 fill the vacant enrollment spot with another pupil between the  
13 ages of three and five who is eligible for free and reduced price  
14 lunch without affecting the district's or charter school's  
15 calculation of average daily attendance.

16 2. This section shall not require school attendance beyond  
17 that mandated under section 167.031 and shall not change or amend  
18 the provisions of sections 160.051, 160.053, 160.054, and 160.055  
19 relating to kindergarten attendance.

20 166.700. As used in sections 166.700 to 166.725, the  
21 following terms mean:

22 (1) "Curriculum", a complete course of study for a  
23 particular content area or grade level, including any  
24 supplemental materials;

25 (2) "Educational assistance organization", the same meaning  
26 as used in section 135.712;

27 (3) "Parent", the same meaning as used in section 135.712;

28 (4) "Private school", a school that is not a part of the

1 public school system of the state of Missouri and that charges  
2 tuition for the rendering of elementary or secondary educational  
3 services;

4 (5) "Program", the Missouri empowerment scholarship  
5 accounts program;

6 (6) "Qualified school", a charter school as defined in  
7 section 160.400, a home school as defined in section 167.031, a  
8 private school as defined in this subsection, a public school as  
9 defined in section 160.011, or a public or private virtual school  
10 that is incorporated in Missouri. Charter schools, public  
11 schools, and public virtual schools are "qualified schools" only  
12 to the extent that moneys deposited in a qualified student's  
13 scholarship account shall be used for specific services or  
14 individual classes consistent with the provisions of subdivision  
15 (4) of subsection 1 of section 166.705;

16 (7) "Qualified student", any elementary or secondary school  
17 student who is a resident of this state and resides in any county  
18 with a charter form of government or any municipality with a  
19 population greater than thirty thousand, or any elementary or  
20 secondary student who resides within a public school district  
21 that has any part of the public school district boundary within a  
22 county with a charter form of government or any municipality with  
23 a population greater than thirty thousand. Such student shall  
24 have attended a public school for at least one semester from the  
25 previous twelve months, unless such student is eligible to attend  
26 kindergarten under sections 160.051 to 160.055.

27 166.705. 1. A parent of a qualified student may establish  
28 a Missouri empowerment scholarship account for the student by

1 entering into a written agreement with an educational assistance  
2 organization. The agreement shall provide that:

3 (1) The qualified student shall enroll in a qualified  
4 school and receive an education in at least the subjects of  
5 English language arts, mathematics, social studies, and science;

6 (2) The qualified student shall not be enrolled in a school  
7 operated by the qualified student's district of residence or a  
8 charter school, except for a qualified student that is in the  
9 custody of the state, and shall release the district of residence  
10 from all obligations to educate the qualified student while the  
11 qualified student is enrolled in the program; except that, this  
12 subdivision shall not relieve the student's district of residence  
13 from the obligation to conduct an evaluation for disabilities;

14 (3) The qualified student shall receive a grant, in the  
15 form of money deposited pursuant to section 135.714, in the  
16 qualified student's Missouri empowerment scholarship account;

17 (4) The money deposited in the qualified student's Missouri  
18 empowerment scholarship account shall be used only for the  
19 following expenses of the qualified student:

20 (a) Tuition or fees at a qualified school;

21 (b) Textbooks required by a qualified school;

22 (c) Educational therapies or services for the qualified  
23 student from a licensed or accredited practitioner or provider,  
24 including licensed or accredited paraprofessionals or educational  
25 aides;

26 (d) Tutoring services;

27 (e) Curriculum;

28 (f) Tuition or fees for a private virtual school;

1 (g) Fees for a nationally standardized norm-referenced  
2 achievement test, advanced placement examinations, international  
3 baccalaureate examinations, or any exams related to college or  
4 university admission;

5 (h) Fees for management of the empowerment scholarship  
6 account by firms selected by the educational assistance  
7 organization;

8 (i) Services provided by a public school, including  
9 individual classes and extracurricular programs;

10 (j) Computer hardware or other technological devices that  
11 are used to help meet a qualified student's educational needs and  
12 that are approved by an educational assistance organization; and

13 (k) Fees for summer education programs and specialized  
14 after-school education programs;

15 (5) Moneys deposited in the qualified student's account  
16 shall not be used for the following:

17 (a) Consumable educational supplies including, but not  
18 limited to, paper, pens, pencils, or markers; and

19 (b) Tuition at a private school located outside of the  
20 state of Missouri.

21 2. Missouri empowerment scholarship accounts are renewable  
22 on an annual basis upon request of the parent of a qualified  
23 student. Notwithstanding any changes to the qualified student's  
24 multidisciplinary evaluation team plan, a student who has  
25 previously qualified for a Missouri empowerment scholarship  
26 account shall remain eligible to apply for renewal until the  
27 student completes high school and submits scores from a  
28 nationally standardized norm-referenced achievement test,

1 advanced placement examination, international baccalaureate  
2 examination, or any exam related to college or university  
3 admission purchased with Missouri empowerment scholarship account  
4 funds to the state treasurer.

5 3. A signed agreement under this section shall satisfy the  
6 compulsory school attendance requirements of section 167.031.

7 4. A qualified school or a provider of services purchased  
8 under this section shall not share, refund, or rebate any  
9 Missouri empowerment scholarship account moneys with the parent  
10 or qualified student in any manner.

11 5. If a qualified student withdraws from the program by  
12 enrolling in a school other than a qualified school, or is  
13 disqualified from the program under the provisions of section  
14 166.710, the qualified student's Missouri empowerment scholarship  
15 account shall be closed and any remaining funds shall be returned  
16 to the educational assistance organization for redistribution to  
17 other qualified students. Under such circumstances, the  
18 obligation to provide an education for such student shall  
19 transfer back to the student's district of residence.

20 6. Any funds remaining in a qualified student's scholarship  
21 account at the end of a school year shall remain in the account  
22 and shall not be returned to the educational assistance  
23 organization. Any funds remaining in a qualified student's  
24 scholarship account upon graduation from a qualified school shall  
25 be returned to the educational assistance organization for  
26 redistribution to other qualified students.

27 7. If a qualified student moves out of any county with a  
28 charter form of government or any municipality with a population



1 greater than thirty thousand, the qualified student shall remain  
2 eligible for participation in the program until the student  
3 graduates from high school.

4 8. Moneys received under sections 166.700 to 166.725 shall  
5 not constitute Missouri taxable income to the parent of the  
6 qualified student.

7 166.710. 1. Beginning in the 2021-2022 school year, the  
8 educational assistance organization shall conduct or contract for  
9 annual audits of empowerment scholarship accounts to ensure  
10 compliance with the requirements of subsection 1 of section  
11 166.705. The educational assistance organization shall also  
12 conduct or contract for random, quarterly, and annual audits of  
13 empowerment scholarship accounts as needed to ensure compliance  
14 with the requirements of subsection 1 of section 166.705.

15 2. A parent or qualified student or vendor may be  
16 disqualified from program participation if the state treasurer,  
17 or his or her designee, finds the party has committed an  
18 intentional program violation consisting of any misrepresentation  
19 or other act that materially violates any law or rule governing  
20 the program. The state treasurer may remove any parent or  
21 qualified student from eligibility for a Missouri empowerment  
22 scholarship program account. A parent may appeal the state  
23 treasurer's decision to the administrative hearing commission. A  
24 parent may appeal the administrative hearing commission's  
25 decision to the circuit court of the county in which the student  
26 resides.

27 3. The state treasurer may refer cases of substantial  
28 misuse of moneys to the attorney general for investigation if the

1 state treasurer obtains evidence of fraudulent use of an account.

2 4. The state treasurer shall promulgate the following rules  
3 to implement and administer the Missouri empowerment scholarship  
4 accounts program:

5 (1) Rules for conducting examinations of use of account  
6 funds;

7 (2) Rules for conducting random, quarterly, and annual  
8 reviews of accounts;

9 (3) Creating an online anonymous fraud reporting service;  
10 and

11 (4) Creating an anonymous telephone hotline for fraud  
12 reporting.

13 5. Any rule or portion of a rule, as that term is defined  
14 in section 536.010 that is created under the authority delegated  
15 in this section shall become effective only if it complies with  
16 and is subject to all of the provisions of chapter 536, and, if  
17 applicable, section 536.028. This section and chapter 536 are  
18 nonseverable and if any of the powers vested with the general  
19 assembly pursuant to chapter 536, to review, to delay the  
20 effective date, or to disapprove and annul a rule are  
21 subsequently held unconstitutional, then the grant of rulemaking  
22 authority and any rule proposed or adopted after August 28, 2019,  
23 shall be invalid and void.

24 166.715. 1. A person commits a class A misdemeanor if they  
25 are found to have knowingly used moneys granted under section  
26 135.714 for purposes other than those provided for in sections  
27 166.700 to 166.725.

28 2. No financial institution shall be liable in any civil

1 action for providing a savings account's financial information to  
2 the state treasurer unless the information provided is false and  
3 the financial institution providing the false information does so  
4 knowingly and with malice.

5 166.720. 1. Sections 166.700 to 166.725 do not permit any  
6 governmental agency to exercise control or supervision over any  
7 qualified school in which a qualified student enrolls other than  
8 a qualified school that is a public school.

9 2. A qualified school, other than a qualified school that  
10 is a public school, that accepts a payment from a parent under  
11 sections 166.700 to 166.725 shall not be considered an agent of  
12 the state or federal government.

13 3. A qualified school shall not be required to alter its  
14 creed, practices, admissions policy, or curriculum in order to  
15 accept students whose parents pay tuition or fees from an  
16 empowerment scholarship account to participate as a qualified  
17 school.

18 4. In any legal proceeding challenging the application of  
19 sections 166.700 to 166.725 to a qualified school, the state  
20 shall bear the burden of establishing that the law is necessary  
21 and does not impose any undue burden on qualified schools.

22 166.725. All personally identifiable information concerning  
23 eligible students and the parents of eligible students within the  
24 Missouri empowerment scholarship accounts program pursuant to  
25 sections 135.712 to 135.719 and sections 166.700 to 166.725 shall  
26 be confidential, and any disclosure of such information shall be  
27 restricted to purposes directly connected with administration of  
28 the program.

1           167.125. 1. (1) For the purposes of this section, the  
2 term "attendance center" shall mean a public school building or  
3 buildings or part of a school building that constitutes one unit  
4 for accountability purposes under the Missouri school improvement  
5 program.

6           (2) For any pupil residing in any unincorporated area  
7 located in any county of the first classification with more than  
8 one hundred one thousand but fewer than one hundred fifteen  
9 thousand inhabitants that also borders on any county with a  
10 charter form of government and with more than nine hundred fifty  
11 thousand inhabitants and any county with a charter form of  
12 government and with more than three hundred thousand but fewer  
13 than four hundred fifty thousand inhabitants, and for any pupil  
14 residing in any village with more than three hundred twenty but  
15 fewer than three hundred sixty inhabitants and located in any  
16 county of the third classification without a township form of  
17 government and with more than twenty-three thousand but fewer  
18 than twenty-six thousand inhabitants and with a village with more  
19 than two hundred but fewer than two hundred fifty inhabitants as  
20 the county seat, and for any pupil residing in an unincorporated  
21 area of a county of the third classification without a township  
22 form of government and with more than nine thousand but fewer  
23 than ten thousand inhabitants and with a city of the fourth  
24 classification with more than five hundred fifty but fewer than  
25 six hundred fifty inhabitants as the county seat, the  
26 commissioner of education or his or her designee shall, upon  
27 proper application by the parent or guardian of the pupil, assign  
28 the pupil and any sibling of the pupil to another school district

1 if the pupil is eligible as described under subsection 2 of this  
2 section and the following conditions are met:

3 (a) The actual driving distance from the pupil's residence  
4 to the attendance center in the district of residence is fifteen  
5 miles or more by the shortest route available as determined by  
6 the commissioner or his or her designee;

7 (b) The attendance center to which the pupil would be  
8 assigned in the receiving district is at least five miles closer  
9 in actual driving distance by the shortest route available to the  
10 pupil's residence than the current attendance center in the  
11 district of residence as determined by the commissioner or his or  
12 her designee; and

13 (c) The attendance of the pupil will not cause the  
14 classroom in the receiving district to exceed the maximum number  
15 of pupils per class as determined by the receiving district.

16 2. (1) For pupils applying to the commissioner of  
17 education under this section, the commissioner, or his or her  
18 designee, shall assign pupils in the order in which applications  
19 are received, provided the applications are properly completed  
20 and the conditions of subsection 1 of this section are met.

21 (2) Once granted, the hardship assignment shall continue  
22 until the pupil, and any sibling of the pupil who attends the  
23 same attendance center, completes his or her course of study in  
24 the receiving district or the parent or guardian withdraws the  
25 pupil. If a parent or guardian withdraws a pupil from a hardship  
26 assignment, the granting of a subsequent application is  
27 discretionary.

28 (3) A pupil shall be eligible to apply to the commissioner

1 of education to be assigned to another district under this  
2 section if the pupil has been enrolled in and attending a public  
3 school in his or her district of residence during the school year  
4 prior to the application, or if the pupil has applied for  
5 enrollment in a public school in his or her district of residence  
6 but whose application was denied. Any pupil shall be eligible to  
7 apply to the commissioner of education to be assigned to another  
8 district under this section if the pupil has been enrolled in and  
9 attending a public school in a district other than his or her  
10 district of residence and paid nonresident tuition for such  
11 enrollment during the school year prior to the application.  
12 Pupils who reside in the district who become eligible for  
13 kindergarten or first grade shall also be eligible to apply to  
14 the commissioner of education to be assigned to another district.

15 (4) A pupil who is not currently enrolled in a public  
16 school district shall become eligible to apply to the  
17 commissioner of education to be assigned to another district  
18 after the pupil has enrolled in and completed a full school year  
19 in a public school in his or her district of residence.

20 3. The board of education of the district in which the  
21 pupil resides shall pay the tuition of the pupil assigned. The  
22 tuition amount shall not exceed the pro rata cost of instruction.  
23 However, if the tuition of the receiving district is greater than  
24 the tuition of the pupil's district of residence, the pupil's  
25 parent or guardian shall pay the difference in tuition.

26 4. A receiving district shall not be required to alter its  
27 transportation route to accommodate pupils that are assigned to  
28 the receiving district under the provisions of this section.

1           167.131. 1. The board of education of each district in  
2 this state that does not maintain [an accredited] a high school  
3 [pursuant to the authority of the state board of education to  
4 classify schools as established in section 161.092] offering work  
5 through the twelfth grade shall pay [the] tuition [of] as  
6 calculated by the receiving district under subsection 2 of this  
7 section and provide transportation consistent with the provisions  
8 of section 167.241 for each pupil resident therein who has  
9 completed the work of the highest grade offered in the schools of  
10 the district and who attends an accredited public high school in  
11 another district of the same or an adjoining county [or who  
12 attends an approved charter school in the same or an adjoining  
13 county].

14           2. The rate of tuition to be charged by the district  
15 attended and paid by the sending district is the per pupil cost  
16 of maintaining the district's grade level grouping which includes  
17 the school attended. [The rate of tuition to be charged by the  
18 approved charter school attended and paid by the sending district  
19 is the per pupil cost of maintaining the approved charter  
20 school's grade level grouping. For a district,] The cost of  
21 maintaining a grade level grouping shall be determined by the  
22 board of education of the district but in no case shall it exceed  
23 all amounts spent for teachers' wages, incidental purposes, debt  
24 service, maintenance and replacements. [For an approved charter  
25 school, the cost of maintaining a grade level grouping shall be  
26 determined by the approved charter school but in no case shall it  
27 exceed all amounts spent by the district in which the approved  
28 charter school is located for teachers' wages, incidental

1 purposes, debt service, maintenance, and replacements.] The term  
2 "debt service", as used in this section, means expenditures for  
3 the retirement of bonded indebtedness and expenditures for  
4 interest on bonded indebtedness. Per pupil cost of the grade  
5 level grouping shall be determined by dividing the cost of  
6 maintaining the grade level grouping by the average daily pupil  
7 attendance. If there is disagreement as to the amount of tuition  
8 to be paid, the facts shall be submitted to the state board of  
9 education, and its decision in the matter shall be final.

10 Subject to the limitations of this section, each pupil shall be  
11 free to attend the public school of his or her choice.

12 [3. For purposes of this section, "approved charter school"  
13 means a charter school that has existed for less than three years  
14 or a charter school with a three-year average score of seventy  
15 percent or higher on its annual performance report.]

16 167.132. 1. For purposes of this section, the following  
17 terms mean:

18 (1) "Receiving approved charter school", an approved  
19 charter school, as defined under section 167.895, receiving  
20 transfer students under section 167.895;

21 (2) "Receiving district", a school district receiving  
22 transfer students under section 167.895;

23 (3) "Sending district", a school district from which  
24 students are transferring to a receiving district or approved  
25 charter school, as allowed under section 167.895;

26 (4) "State adequacy target", the same meaning given to the  
27 term under section 163.011.

28 2. Notwithstanding any other provision of law, the tuition



1 rate paid by a sending district to the receiving district or the  
2 receiving approved charter school for transfer students shall be  
3 the lesser of:

4 (1) The tuition rate set by the receiving district or the  
5 receiving approved charter school under the policy adopted in  
6 accordance with section 167.895; or

7 (2) The state adequacy target plus the average sum produced  
8 per child by the local tax effort above the state adequacy target  
9 of the sending district.

10 167.151. 1. The school board of any district, in its  
11 discretion, may admit to the school pupils not entitled to free  
12 instruction and prescribe the tuition fee to be paid by them,  
13 except as provided in sections 167.121 [and], 167.131, 167.132,  
14 and 167.895.

15 2. Orphan children, children with only one parent living,  
16 and children whose parents do not contribute to their support—if  
17 the children are between the ages of six and twenty years and are  
18 unable to pay tuition—may attend the schools of any district in  
19 the state in which they have a permanent or temporary home  
20 without paying a tuition fee.

21 3. Any person who pays a school tax in any other district  
22 than that in which he resides may send his children to any public  
23 school in the district in which the tax is paid and receive as a  
24 credit on the amount charged for tuition the amount of the school  
25 tax paid to the district; except that any person who owns real  
26 estate of which eighty acres or more are used for agricultural  
27 purposes and upon which his residence is situated may send his  
28 children to public school in any school district in which a part

1 of such real estate, contiguous to that upon which his residence  
2 is situated, lies and shall not be charged tuition therefor; so  
3 long as thirty-five percent of the real estate is located in the  
4 school district of choice. The school district of choice shall  
5 count the children in its average daily attendance for the  
6 purpose of distribution of state aid through the foundation  
7 formula.

8 4. Any owner of agricultural land who, pursuant to  
9 subsection 3 of this section, has the option of sending his  
10 children to the public schools of more than one district shall  
11 exercise such option as provided in this subsection. Such person  
12 shall send written notice to all school districts involved  
13 specifying to which school district his children will attend by  
14 June thirtieth in which such a school year begins. If  
15 notification is not received, such children shall attend the  
16 school in which the majority of his property lies. Such person  
17 shall not send any of his children to the public schools of any  
18 district other than the one to which he has sent notice pursuant  
19 to this subsection in that school year or in which the majority  
20 of his property lies without paying tuition to such school  
21 district.

22 5. If a pupil is attending school in a district other than  
23 the district of residence and the pupil's parent is teaching in  
24 the school district or is a regular employee of the school  
25 district which the pupil is attending, then the district in which  
26 the pupil attends school shall allow the pupil to attend school  
27 upon payment of tuition in the same manner in which the district  
28 allows other pupils not entitled to free instruction to attend

1 school in the district. The provisions of this subsection shall  
2 apply only to pupils attending school in a district which has an  
3 enrollment in excess of thirteen thousand pupils and not in  
4 excess of fifteen thousand pupils and which district is located  
5 in a county of the first classification with a charter form of  
6 government which has a population in excess of six hundred  
7 thousand persons and not in excess of nine hundred thousand  
8 persons.

9 167.241. 1. Except as otherwise provided under this  
10 section, transportation for pupils whose tuition the district of  
11 residence is required to pay by section 167.131 or who are  
12 assigned as provided in section 167.121 shall be provided by the  
13 district of residence[; however,].

14 2. In the case of pupils covered by section 167.131, the  
15 district of residence shall be required to provide transportation  
16 only to [approved charter schools as defined in section 167.131,]  
17 school districts accredited by the state board of education  
18 pursuant to the authority of the state board of education to  
19 classify schools as established in section 161.092, and those  
20 school districts designated by the board of education of the  
21 district of residence.

22 3. (1) For purposes of this subsection, "approved charter  
23 school" has the same meaning given to the term under section  
24 167.895.

25 (2) For pupils covered by section 167.895, the district of  
26 residence shall be required to provide transportation only to  
27 school districts or approved charter schools designated by the  
28 department of elementary and secondary education or its designee.

1 For pupils covered by section 167.895, the department of  
2 elementary and secondary education or its designee shall  
3 designate at least one accredited district or approved charter  
4 school to which the district of residence shall provide  
5 transportation. If the designated district or charter school  
6 reaches full student capacity and is unable to receive additional  
7 students, the department of elementary and secondary education or  
8 its designee shall designate at least one additional accredited  
9 district or approved charter school to which the district of  
10 residence shall provide transportation.

11 167.890. 1. The department of elementary and secondary  
12 education shall compile and maintain student performance data  
13 scores of all students enrolled in districts other than their  
14 resident districts as provided under section 167.895 and make  
15 such data available on the Missouri comprehensive data system.  
16 No personally identifiable data shall be accessible on the  
17 database.

18 2. The department of elementary and secondary education may  
19 promulgate all necessary rules and regulations for the  
20 administration of this section. Any rule or portion of a rule,  
21 as that term is defined in section 536.010, that is created under  
22 the authority delegated in this section shall become effective  
23 only if it complies with and is subject to all of the provisions  
24 of chapter 536, and, if applicable, section 536.028. This  
25 section and chapter 536 are nonseverable, and if any of the  
26 powers vested with the general assembly pursuant to chapter 536  
27 to review, to delay the effective date, or to disapprove and  
28 annul a rule are subsequently held unconstitutional, then the

1 grant of rulemaking authority and any rule proposed or adopted  
2 after the effective date of this section shall be invalid and  
3 void.

4 167.895. 1. For purposes of this section and section  
5 167.898, the following terms mean:

6 (1) "Approved charter school", a charter school that has  
7 existed for less than three years or a charter school with a  
8 three-year average score consistent with a classification of  
9 accredited without provisions on its annual performance report;

10 (2) "Attendance center", a public school building, public  
11 school buildings, or part of a public school building that offers  
12 education in a grade or grades not higher than the twelfth grade  
13 and that constitutes one unit for accountability and reporting  
14 purposes for the department of elementary and secondary  
15 education;

16 (3) "Available receiving district", a school district able  
17 to receive transfer students under this section;

18 (4) "Receiving district", a school district receiving  
19 transfer students under this section;

20 (5) "Sending district", a school district from which  
21 students are transferring to a receiving district or approved  
22 charter school, as allowed under this section.

23 2. (1) Any student may transfer to another public school  
24 in the student's district of residence if such student is  
25 enrolled in and has attended, for the full semester immediately  
26 prior to requesting the transfer, an attendance center:

27 (a) That is located within an unaccredited district; and

28 (b) That has an annual performance report score consistent

1 with a classification of unaccredited.

2  
3 However, no such transfer shall result in a class size and  
4 assigned enrollment in a receiving school that exceeds the  
5 standards for class size and assigned enrollment as promulgated  
6 in the Missouri school improvement program's resource standards.  
7 If the student chooses to attend a magnet school, an academically  
8 selective school, or a school with a competitive entrance process  
9 within his or her district of residence that has admissions  
10 requirements, the student shall meet the admissions requirements  
11 in order to attend.

12 (2) The school board of each unaccredited district shall  
13 determine the capacity at each of the district's attendance  
14 centers that has an annual performance report score consistent  
15 with a classification of accredited. The district's school board  
16 shall be responsible for coordinating transfers within the  
17 district as allowed under this subsection.

18 (3) The school board of each unaccredited district shall  
19 annually report to the department of elementary and secondary  
20 education or its designee the number of available slots in  
21 attendance centers within the district that have annual  
22 performance report scores consistent with a classification of  
23 accredited, the number of students who request to transfer within  
24 the district, and the number of such transfer requests that are  
25 granted.

26 3. (1) Any student who is eligible to transfer within his  
27 or her district under subsection 2 of this section but who is  
28 unable to do so due to a lack of capacity in the attendance

1 centers in his or her district of residence may apply to the  
2 department of elementary and secondary education or its designee  
3 to transfer to:

4 (a) An attendance center:

5 a. That is located within an accredited district that is  
6 located in the same or an adjoining county; and

7 b. That has an annual performance report score consistent  
8 with a classification of accredited; or

9 (b) An approved charter school located in another district  
10 in the same or an adjoining county.

11 (2) A student who is eligible to begin kindergarten or  
12 first grade at an attendance center:

13 (a) That is located within an unaccredited district;

14 (b) That has an annual performance report score consistent  
15 with a classification of unaccredited; and

16 (c) That offers classes above the second grade level

17  
18 may apply to the department of elementary and secondary education  
19 or its designee for a transfer to a school described under  
20 paragraph (a) or (b) of subdivision (1) of this subsection if he  
21 or she resides in the attendance area of the attendance center  
22 described under this subdivision on March first preceding the  
23 school year of first attendance. A student who does not apply by  
24 March first for enrollment in any school year after the 2019-20  
25 school year shall be required to enroll and attend the attendance  
26 center described under this subdivision for one semester to  
27 become eligible.

28 (3) If a student who is eligible to transfer under this

1 subsection chooses to apply to attend a magnet school, an  
2 academically selective school, or a school with a competitive  
3 entrance process that has admissions requirements, the student  
4 shall furnish proof that he or she meets the admissions  
5 requirements.

6 (4) Any student who does not maintain residency in the  
7 attendance area of his or her attendance center in the district  
8 of residence shall lose eligibility to transfer.

9 (5) Except as provided under subsection 7 of this section,  
10 any student who transfers but later withdraws shall lose  
11 eligibility to transfer.

12 (6) The transfer provisions of this subsection shall not  
13 apply to a district created under sections 162.815 to 162.840 or  
14 to any early childhood programs or early childhood special  
15 education programs.

16 4. (1) No student enrolled in and attending an attendance  
17 center that does not offer classes above the second grade level  
18 shall be eligible to transfer under this section.

19 (2) No student who is eligible to begin kindergarten or  
20 first grade at an attendance center that does not offer classes  
21 above the second grade level shall be eligible to transfer under  
22 this section.

23 5. (1) (a) No provisionally accredited district shall be  
24 eligible to receive transfer students.

25 (b) Except as provided under paragraph (c) of this  
26 subdivision, no attendance center that has an annual performance  
27 report score consistent with a classification of provisionally  
28 accredited shall be eligible to receive transfer students.



1       (c) A transfer student who chooses to attend an attendance  
2 center that has an annual performance report score consistent  
3 with a classification of provisionally accredited and that is  
4 located within his or her unaccredited district of residence  
5 shall be allowed to transfer to such attendance center if there  
6 is an available slot.

7       (2) (a) No unaccredited district shall be eligible to  
8 receive transfer students.

9       (b) No attendance center that has an annual performance  
10 report score consistent with a classification of unaccredited  
11 shall be eligible to receive transfer students.

12       (3) No district or attendance center that has received two  
13 consecutive annual performance reports consistent with a  
14 classification of provisionally accredited for the years  
15 immediately preceding the year in which it seeks to enroll  
16 transfer students shall be eligible to receive any transfer  
17 students, irrespective of its state board of education  
18 classification designation; except that, any student who was  
19 granted a transfer to such a district or attendance center prior  
20 to the effective date of this section may remain enrolled in that  
21 district or attendance center.

22       6. Notwithstanding the provisions of subsection 5 of this  
23 section, a student may transfer to an attendance center:

24       (1) That is located within an unaccredited or provisionally  
25 accredited district; and

26       (2) That has an annual performance report score consistent  
27 with a classification of accredited

1 if the attendance center applies for and is granted a waiver by  
2 the department of elementary and secondary education or its  
3 designee to allow the attendance center to accept transfer  
4 students.

5 7. If a receiving district becomes unaccredited or  
6 provisionally accredited, or if an approved charter school loses  
7 its status as an approved charter school, any students who  
8 previously transferred to the district or charter school shall  
9 receive the opportunity to remain enrolled in the district or  
10 charter school or to transfer to another district or approved  
11 charter school without losing their eligibility to transfer.

12 8. For a receiving district, no acceptance of a transfer  
13 student shall require any of the following actions, unless the  
14 board of education of the receiving district has approved the  
15 action:

16 (1) The hiring of additional classroom teachers;

17 (2) The construction of additional classrooms; or

18 (3) A class size and assigned enrollment in a receiving  
19 school that exceeds the standards for class size and assigned  
20 enrollment as promulgated in the Missouri school improvement  
21 program's resource standards.

22 9. (1) By July 15, 2019, the board of education of each  
23 available receiving district and the governing board of each  
24 approved charter school eligible to receive transfer students  
25 under this section shall set the number of transfer students the  
26 district or charter school is able to receive for the 2019-20  
27 school year.

28 (2) By February first annually, the board of education of

1 each available receiving district and the governing board of each  
2 approved charter school eligible to receive transfer students  
3 under this section shall set the number of transfer students the  
4 district or charter school is able to receive for the following  
5 school year.

6 (3) An available receiving district or approved charter  
7 school eligible to receive transfer students under this section  
8 shall publish the number set under this subsection and shall not  
9 be required to accept any transfer students under this section  
10 that would cause it to exceed the published number.

11 10. (1) Each available receiving district shall adopt a  
12 policy establishing a tuition rate for transfer students by  
13 February first annually.

14 (2) Each approved charter school eligible to receive  
15 transfer students under this section shall adopt a policy  
16 establishing a tuition rate for transfer students by February  
17 first annually.

18 (3) A sending district shall pay the receiving district or  
19 the approved charter school the amount specified under section  
20 167.132 for each transfer student.

21 11. A student whose transfer application has been denied by  
22 a receiving district shall have the right to appeal the decision  
23 of the receiving district to the department of elementary and  
24 secondary education. The appeal shall be taken within fifteen  
25 days after the decision of the receiving district and may be  
26 taken by filing notice of appeal with the department. Such  
27 appeal shall be heard as provided in chapter 536.

28 12. If an unaccredited district becomes classified as

1 provisionally accredited or accredited without provisions by the  
2 state board of education, or if an attendance center within an  
3 unaccredited district improves its annual performance report  
4 score from a score that is consistent with a classification of  
5 unaccredited to a score that is consistent with a classification  
6 of provisionally accredited or accredited, any resident student  
7 of the unaccredited district who has transferred to an approved  
8 charter school or to an accredited district in the same or an  
9 adjoining county, as allowed under subsection 3 of this section,  
10 shall be permitted to continue his or her educational program in  
11 the receiving district or charter school through the completion  
12 of middle school, junior high school, or high school, whichever  
13 occurs first; except that, a student who attends any school  
14 serving students through high school graduation but starting at  
15 grades lower than ninth grade shall be permitted to complete high  
16 school in the school to which he or she has transferred.

17 13. Notwithstanding the provisions of subsection 10 of this  
18 section, if costs associated with the provision of special  
19 education and related services to a student with a disability  
20 exceed the tuition amount established under this section, the  
21 unaccredited district shall remain responsible for paying the  
22 excess cost to the receiving district. If the receiving district  
23 is a component district of a special school district, the  
24 unaccredited district, including any metropolitan school  
25 district, shall contract with the special school district for the  
26 entirety of the costs to provide special education and related  
27 services, excluding transportation in accordance with this  
28 section. The special school district may contract with an

1 unaccredited district, including any metropolitan district, for  
2 the provision of transportation of a student with a disability or  
3 the unaccredited district may provide transportation on its own.

4 14. A special school district shall continue to provide  
5 special education and related services, with the exception of  
6 transportation under this section, to a student with a disability  
7 transferring from an attendance center with an annual performance  
8 report score consistent with a classification of unaccredited  
9 that is within a component district to an attendance center with  
10 an annual performance report score consistent with a  
11 classification of accredited that is within the same or a  
12 different component district within the special school district.

13 15. If any metropolitan school district is classified as  
14 unaccredited, it shall remain responsible for the provision of  
15 special education and related services, including transportation,  
16 to students with disabilities. A special school district in an  
17 adjoining county to a metropolitan school district may contract  
18 with the metropolitan school district for the reimbursement of  
19 special education services under sections 162.705 and 162.710  
20 provided by the special school district for transfer students who  
21 are residents of the unaccredited district.

22 16. Regardless of whether transportation is identified as a  
23 related service within a student's individualized education  
24 program, a receiving district that is not part of a special  
25 school district shall not be responsible for providing  
26 transportation to a student transferring under this section. An  
27 unaccredited district may contract with a receiving district that  
28 is not part of a special school district under sections 162.705

1 and 162.710 for transportation of students with disabilities.

2 17. If a seven-director school district or urban school  
3 district is classified as unaccredited, it may contract with a  
4 receiving district that is not part of a special school district  
5 in the same or an adjoining county for the reimbursement of  
6 special education and related services under sections 162.705 and  
7 162.710 provided by the receiving district for transfer students  
8 who are residents of the unaccredited district.

9 167.898. 1. (1) By July 15, 2019, and by January first  
10 annually, each accredited district, any portion of which is  
11 located in the same county as or in an adjoining county to an  
12 unaccredited district, shall report to the department of  
13 elementary and secondary education or its designee the number of  
14 available enrollment slots by grade level.

15 (2) By July 15, 2019, and by January first annually, each  
16 unaccredited district shall report to the department of  
17 elementary and secondary education or its designee the number of  
18 available enrollment slots in the schools of its district that  
19 have received annual performance report scores consistent with a  
20 classification of accredited.

21 (3) By July 15, 2019, and by January first annually, each  
22 approved charter school that is eligible to receive transfer  
23 students under section 167.895 shall report to the department of  
24 elementary and secondary education or its designee the number of  
25 available enrollment slots.

26 2. The department of elementary and secondary education or  
27 its designee shall make information and assistance available to  
28 parents or guardians who intend to transfer their child to an

1 accredited district or to an approved charter school as described  
2 under section 167.895.

3 3. The parent or guardian of a student who intends to  
4 transfer his or her child to an accredited district or to an  
5 approved charter school as described under section 167.895 for  
6 enrollment in that district or charter school in any school year  
7 after the 2019-20 school year shall send initial notification to  
8 the department of elementary and secondary education or its  
9 designee by March first for enrollment in the subsequent school  
10 year.

11 4. The department of elementary and secondary education or  
12 its designee shall assign those students who seek to transfer to  
13 an accredited district or to an approved charter school as  
14 described under section 167.895. When assigning transfer  
15 students to approved charter schools, the department of  
16 elementary and secondary education or its designee shall  
17 coordinate with each approved charter school and its admissions  
18 process if capacity is insufficient to enroll all students who  
19 submit a timely application. An approved charter school shall  
20 not be required to institute a lottery procedure for determining  
21 the admission of resident students. The department of elementary  
22 and secondary education or its designee shall give first priority  
23 to students who live in the same household with any family member  
24 within the first or second degree of consanguinity or affinity  
25 who already attends a school with an annual performance report  
26 score consistent with a classification of accredited and who  
27 apply to attend the same school. If insufficient grade-  
28 appropriate enrollment slots are available for a student to be

1 able to transfer, the student shall receive first priority the  
2 following school year. The department of elementary and  
3 secondary education or its designee shall consider the following  
4 factors in assigning schools, with the student's or parent's  
5 choice as the most important factor:

6 (1) The student's or parent's choice of the receiving  
7 school;

8 (2) The best interests of the student;

9 (3) The availability of transportation funding, as provided  
10 under section 167.241; and

11 (4) Distance and travel time to a receiving school.

12  
13 The department of elementary and secondary education or its  
14 designee shall not consider student academic performance, free  
15 and reduced price lunch status, or athletic ability in assigning  
16 a student to a school.

17 5. (1) The department of elementary and secondary  
18 education or its designee may deny a transfer to a student who in  
19 the most recent school year has been suspended from school two or  
20 more times or who has been suspended for an act of school  
21 violence under subsection 2 of section 160.261. A student whose  
22 transfer is initially precluded under this subsection may be  
23 permitted to transfer on a provisional basis as a probationary  
24 transfer student, subject to no further disruptive behavior, upon  
25 a statement from the student's current school that the student is  
26 not disruptive. A student who is denied a transfer under this  
27 subsection has the right to an in-person meeting with an employee  
28 of the department of elementary and secondary education or its



1 designee.

2 (2) The department of elementary and secondary education  
3 shall promulgate rules to provide common standards for  
4 determining disruptive behavior that shall include, but not be  
5 limited to, criteria under section 160.261. Any rule or portion  
6 of a rule, as that term is defined in section 536.010, that is  
7 created under the authority delegated in this section shall  
8 become effective only if it complies with and is subject to all  
9 of the provisions of chapter 536 and, if applicable, section  
10 536.028. This section and chapter 536 are nonseverable, and if  
11 any of the powers vested with the general assembly pursuant to  
12 chapter 536 to review, to delay the effective date, or to  
13 disapprove and annul a rule are subsequently held  
14 unconstitutional, then the grant of rulemaking authority and any  
15 rule proposed or adopted after the effective date of this section  
16 shall be invalid and void.

17 173.2553. 1. There is hereby established a "Fast-Track  
18 Workforce Incentive Grant" and any moneys appropriated by the  
19 general assembly for this program shall be used to provide grants  
20 for Missouri citizens to attend an approved Missouri  
21 postsecondary institution of their choice pursuant to the  
22 provisions of this section.

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

26 (1) "Eligible student", an individual who:

27 (a) Has completed and submitted a FAFSA for the academic  
28 year for which the grant is requested;

1       (b) Is a citizen or permanent resident of the United  
2 States;

3       (c) Is a Missouri resident as determined by reference to  
4 standards promulgated by the coordinating board;

5       (d) Is enrolled, or plans to enroll, at least half-time as  
6 a student in an eligible undergraduate program of study offered  
7 by an approved public, private, or virtual institution as defined  
8 in section 173.1102;

9       (e) Has an adjusted gross income, as reported on the FAFSA,  
10 that does not exceed eighty thousand dollars if the taxpayer's  
11 filing status is married filing combined, or forty thousand  
12 dollars if the taxpayer's filing status is single, head of  
13 household, or qualifying widow or widower; and

14       (f) Is twenty-five years of age or older at the time of  
15 enrollment or has not been enrolled in an educational program for  
16 the prior two academic years;

17       (2) "Eligible program of study":

18       (a) A program of instruction resulting in the award of a  
19 certificate, degree, or other industry-recognized credential; and

20       (b) That has been designated by the coordinating board as  
21 preparing students to enter an area of occupational shortage as  
22 determined by the board;

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

1           (4) "FAFSA", the Free Application for Federal Student Aid  
2 as maintained by the United States Department of Education.

3           3. Standards of eligibility for renewed assistance shall be  
4 the same as for an initial award of financial assistance, except  
5 that for renewal, an applicant shall demonstrate a grade-point  
6 average of two and five-tenths on a four-point scale, or the  
7 equivalent on another scale.

8           4. Eligibility for a grant expires upon the earliest of:

9           (1) Receipt of the grant for four semesters or the  
10 equivalent;

11           (2) Receipt of a bachelor degree; or

12           (3) Reaching two hundred percent of the time typically  
13 required to complete the program of study.

14           5. The coordinating board shall initially designate  
15 eligible programs of study by January 1, 2020. The coordinating  
16 board shall annually review the list of eligible programs of  
17 study and make changes to the program list as it determines  
18 appropriate.

19           6. The coordinating board shall be the administrative  
20 agency for the implementation of the program established by this  
21 section. The coordinating board shall promulgate reasonable  
22 rules and regulations for the exercise of its functions and the  
23 effectuation of the purposes of this section. It shall prescribe  
24 the form and the time and method of filing applications and  
25 supervise the processing thereof. The coordinating board shall  
26 determine the criteria for eligibility of applicants and shall  
27 evaluate each applicant's eligibility. It shall select qualified  
28 recipients to receive grants, make such awards of financial

1 assistance to qualified recipients, and determine the manner and  
2 method of payment or repayment for each recipient.

3 7. The coordinating board shall determine eligibility for  
4 renewed assistance on the basis of annual applications. As a  
5 condition to consideration for initial or renewed assistance, the  
6 coordinating board may require the applicant and the applicant's  
7 spouse to execute forms of consent authorizing the director of  
8 revenue to compare financial information submitted by the  
9 applicant with the Missouri individual income tax returns of the  
10 applicant, the applicant's spouse and parents for the taxable  
11 year immediately preceding the year for which application is  
12 made, and to report any discrepancies to the coordinating board.

13 8. Grants shall be awarded in an amount equal to the actual  
14 tuition and general fees charged of an eligible student up to ten  
15 thousand dollars per semester, after all federal nonloan aid,  
16 state student aid, and any other governmental student financial  
17 aid are applied. If a grant amount is reduced to zero due to the  
18 receipt of other aid, the eligible student shall receive an award  
19 of up to five hundred dollars or the remaining cost of attendance  
20 as calculated by the institution after all nonloan student aid  
21 has been applied, whichever is less, per academic term.

22 9. If appropriated funds are insufficient to fund the  
23 program as described, students applying for renewed assistance  
24 shall be given priority until all funds are expended.

25 10. A recipient of financial assistance may transfer from  
26 one approved public, private, or virtual institution to another  
27 without losing eligibility for assistance under this section, but  
28 the department shall make any necessary adjustments in the amount

1 of the award. If a recipient of financial assistance at any time  
2 is entitled to a refund of any tuition or fees under the rules  
3 and regulations of the institution in which he or she is  
4 enrolled, the institution shall pay the portion of the refund  
5 which may be attributed to the grant to the coordinating board.  
6 The coordinating board shall use these refunds to make additional  
7 awards under the provisions of this section.

8 11. Grants issued under this section shall be repaid to the  
9 department unless the eligible student qualifies for the grant  
10 forgiveness provisions of this section and the rules promulgated  
11 by the department relating to grant forgiveness. Eligible  
12 students who are in compliance with program requirements, as  
13 established by the coordinating board, may qualify for  
14 forgiveness of a grant or grants received through the program by  
15 agreeing to be employed in the state of Missouri beginning within  
16 one calendar year of the cessation of the program of study and  
17 fulfilling the terms outlined in subsection 13 of this section.

18 12. The coordinating board shall approve grant forgiveness  
19 on a year-by-year basis. Each twelve months of qualifying  
20 employment authorizes the forgiveness of one third of the total  
21 amount of the grant or grants received. Eligible students who  
22 cease to be employed in the state of Missouri and students who  
23 elect not to comply with these employment requirements, or who  
24 fail to meet these requirements, shall be required to repay all  
25 outstanding grant balances under the contractual provisions  
26 described in subsection 13 of this section.

27 13. The coordinating board shall annually enter into a  
28 contract with each eligible student electing to participate in

1 the program at the time at which the individual makes that  
2 election. The written contract shall contain, but not be limited  
3 to, the following:

4 (1) The terms and conditions under which the grant is made  
5 and the requirements for repayment of the grant by the eligible  
6 student;

7 (2) A stipulation that no interest shall be assessed on any  
8 grant provided through the program;

9 (3) The terms and conditions for qualifying for forgiveness  
10 of grant proceeds received through the program, including a  
11 provision stating that if an eligible student is unable to be  
12 employed in the state of Missouri due to serious and unusual  
13 personal circumstances, such eligible student may seek a waiver  
14 of the repayment requirements of this section by appealing to the  
15 coordinating board for an extension or complete waiver, to be  
16 determined by the board under rules promulgated by such; and

17 (4) A provision that any financial obligations arising out  
18 of a contract entered into, and any obligations of the eligible  
19 student which are conditioned thereon, are contingent upon funds  
20 being appropriated to the Fast-Track Workforce Incentive Grant  
21 Fund established under subsection 14 of this section.

22 14. (1) There is hereby created in the state treasury the  
23 "Fast-Track Workforce Incentive Grant Fund". The state treasurer  
24 shall be custodian of the fund. In accordance with sections  
25 30.170 and 30.180, the state treasurer may approve disbursements.  
26 The fund shall be a dedicated fund and money in the fund shall be  
27 used solely by the coordinating board for the purpose of this  
28 section.

1       (2) Notwithstanding the provisions of section 33.080 to the  
2 contrary, any moneys remaining in the fund at the end of the  
3 biennium shall not revert to the credit of the general revenue  
4 fund.

5       (3) The state treasurer shall invest moneys in the fund in  
6 the same manner as other funds are invested. Any interest and  
7 moneys earned on such investments shall be credited to the fund.

8       15. The coordinating board shall have the authority to  
9 promulgate rules to implement the provisions of this section.  
10 Any rule or portion of a rule, as that term is defined in section  
11 536.010 that is created under the authority delegated in this  
12 section shall become effective only if it complies with and is  
13 subject to all of the provisions of chapter 536, and, if  
14 applicable, section 536.028. This section and chapter 536 are  
15 nonseverable and if any of the powers vested with the general  
16 assembly pursuant to chapter 536, to review, to delay the  
17 effective date, or to disapprove and annul a rule are  
18 subsequently held unconstitutional, then the grant of rulemaking  
19 authority and any rule proposed or adopted after August 28, 2019,  
20 shall be invalid and void.

21       Section B. Because of the importance of improving and  
22 sustaining Missouri's elementary and secondary education system  
23 and establishing standards for student transfers to school  
24 districts, the enactment of sections 167.895 and 167.898 of this  
25 act is deemed necessary for the immediate preservation of the  
26 public health, welfare, peace and safety, and is hereby declared  
27 to be an emergency act within the meaning of the constitution,  
28 and the enactment of sections 167.895 and 167.898 of this act

1 shall be in full force and effect upon its passage and approval.