

SENATE COMMITTEE SUBSTITUTE

FOR

SENATE BILL NO. 1207

AN ACT

To repeal sections 173.365, 173.445, and 173.831, RSMo, and to enact in lieu thereof four new sections relating to education.

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

Section A. Sections 173.365, 173.445, and 173.831, RSMo, are repealed and four new sections enacted in lieu thereof, to be known as sections 162.192, 173.365, 173.445, and 173.831, to read as follows:

162.192. 1. For purposes of this section, "financial ledger" means a searchable, machine-readable, publicly accessible database maintained by a school district or charter school that:

(1) Sets forth all financial transactions conducted with school district or charter school funds, including, but not limited to, the school funds established pursuant to section 165.011;

(2) Is available without login credentials, registration, or fees;

(3) Is downloadable and exportable in formats including, but not limited to, comma-separated values (CSV) format and Microsoft Excel format;

(4) Records all transactions using Missouri financial accounting manual classification categories, as applicable;
and

(5) Includes the following minimum required data fields for each financial transaction, and is searchable and filterable by such fields, at minimum:

(a) Transaction date;

- (b) Transaction amount;
- (c) Revenue or expenditure designation;
- (d) Fund code;
- (e) Function code;
- (f) Object code;
- (g) Vendor or payee name; and
- (h) Description or memo field.

2. Notwithstanding any provision of law to the contrary, each school district and charter school shall maintain a financial ledger on its publicly accessible website. The homepage of each public or charter school's website shall include a direct link to the financial ledger of the school district or charter school that has oversight responsibility for that public or charter school. The link shall make the financial ledger accessible within one click, shall be clearly labeled as a link to the school district's or charter school's financial ledger, and shall be functional and mobile-responsive. The department may provide standardized language or icons that public and charter schools may use for the purpose of ensuring compliance with this subsection.

3. A school district's or charter school's financial ledger shall be updated at least monthly. Details of each calendar month's financial transactions shall be posted no later than forty-five days after the close of that calendar month.

4. For historical record keeping purposes, a school district or charter school shall maintain complete financial ledger data on its publicly accessible website for no fewer than five prior fiscal years.

5. A school district or charter school may redact protected personal information on the financial ledger only to the extent required by applicable law. Vendor names,

amounts, and accounting codes shall not be redacted.
Payroll data may be presented in aggregated form where
disclosure of individual information is restricted.

6. Debt obligations shall be posted in a separate
section of the financial ledger, with disclosure of the
following information:

- (1) Outstanding debt balances;
- (2) Issuance dates;
- (3) Repayment schedules;
- (4) Annual debt service amounts; and
- (5) Debt service as a percentage of total expenditures.

7. The department may provide or approve standardized
templates or platforms a school district or charter school
may use to comply with the provisions of this section. A
school district or charter school may use a third-party
template or platform that is approved by the department.

8. The department may provide guidance to assist
school districts and charter schools in complying with the
provisions of this section. Such guidance may include:

- (1) High-level expenditure summaries by classification
category under the Missouri financial accounting manual;
- (2) Standardized definitions of terms to be used in
the financial ledger; and
- (3) Clear explanations of methodology and limitations
applicable to the compilation and presentation of financial
ledger data.

9. School districts and charter schools shall annually
certify compliance with this section to the department. The
department shall promulgate rules establishing procedures
and timelines for school districts and charter schools to
certify compliance.

10. If the department finds that any school district
or charter school has violated a provision of this section,

the department may withhold up to one percent of the state aid to which the school district or charter school is entitled under chapter 160 or 163 for the current school year until the school district or charter school proves to the satisfaction of the department that the school district or charter school is no longer in violation of this section.

11. The department shall establish a process for members of the public to file complaints with the department if they believe a school district or charter school has violated any provision of this section. The department may establish a public compliance dashboard on the department's website to enable members of the public to check whether a particular school district or charter school is certified as in compliance with the provisions of this section.

12. The department shall promulgate rules to implement the provisions of this section. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2026, shall be invalid and void.

173.365. 1. Four members of the authority shall constitute a quorum for the purpose of conducting business and exercising the powers of the authority. Action may be taken by the authority upon the affirmative vote of at least four of its members. Members may participate in a meeting by means of conference telephone or similar communications

equipment whereby all persons participating in or attending the meeting can communicate with each other, and participation in a meeting in this manner shall constitute presence in person at the meeting for all purposes. Each meeting of the authority for any purpose whatsoever shall be open to the public. Notice of meetings shall be given as provided in the bylaws of the authority. The proceedings and actions of the authority shall comply with all statutory requirements respecting the conduct of public business by a public agency. Members of the authority shall receive no compensation for services but shall be entitled to reimbursement for necessary expenses, including traveling and lodging expenses, incurred in the discharge of their duties. Any payment for expenses shall be paid from funds of the authority.

2. The authority shall observe the privacy and confidentiality provisions of federal and state law in its operations including the protection of financial information and trade secrets. Notwithstanding any other provision of law to the contrary, including chapters 109, 173, or 610:

(1) Public records may be closed by the authority to the extent they relate in any way to student loan servicing by the authority, including, but not limited to, records pertaining to the performance of a student loan servicing contract, payments made or received pursuant to such contract, or business relationships or communications related to operations or performance pursuant to such contract, provided this closure shall not be applicable to records requests by other Missouri governmental entities; and

(2) Nothing in subdivision (3) of subsection 1 of section 173.385 shall be deemed to be a waiver of any legal defense of the authority, including, but not limited to, sovereign immunity in any of its forms.

173.445. The higher education loan authority is assigned to the department of higher education and workforce development. The authority shall annually file with the director of said department and with the joint committee on education a report of its previous year's income, expenditures and bonds or other forms of indebtedness issued and outstanding.

173.831. 1. As used in this section, the following terms mean:

(1) "Academic skill intake assessment", a criterion-referenced assessment of numeracy and literacy skills with high reliability and validity as determined by third-party research;

(2) "Accredited", holding an active accreditation from one of the seven United States regional accreditors including, but not limited to, the Middle States Commission on Higher Education, the New England Association of Schools and Colleges, the Higher Learning Commission, the Northwest Commission on Colleges and Universities, the Southern Association of Colleges and Schools, the Western Association of Schools and Colleges, and the Accrediting Commission for Community and Junior Colleges, as well as any successor entities or consolidations of the above including, but not limited to, AdvancEd or Cognia;

(3) "Adult dropout recovery services" includes, but is not limited to, sourcing, recruitment, and engagement of eligible students, learning plan development, active teaching, and proactive coaching and mentoring, resulting in an accredited high school diploma and pathway to post secondary education opportunities;

(4) "Approved program provider", a public, not-for-profit, or other entity that meets the requirements of

subdivision (2) of subsection 3 of this section or any consortium of such entities;

(5) "Average cost per graduate", the amount of the total program funding reimbursed to an approved program provider for each cohort during the period of time from the beginning of the same cohort through the subsequent twelve months after the close of the same cohort, divided by the total number of students who graduated from the same cohort within twelve months after the close of the same cohort or enrollment in postsecondary education;

(6) "Career pathways coursework", one or more courses that align with the skill needs of industries in the economy of the state or region that help an individual enter or advance within a specific occupation or occupational cluster;

(7) "Career placement services", services designed to assist students in obtaining employment, such as career interest self-assessments and job search skills such as resume development and mock interviews;

(8) "Coaching", proactive communication between the approved program provider and the student related to the student's pace and progress through the student's learning plan;

(9) "Cohort", students who enter the program between July first and June thirtieth of each program year;

(10) "Department", the department of elementary and secondary education;

(11) "Employability skills certification", a certificate earned by demonstrating professional nontechnical skills through assessment, portfolio, or observation;

(12) "Graduate", a student who has successfully completed all of the state and approved program provider requirements in order to obtain a high school diploma;

(13) "Graduation rate", the total number of graduates from a cohort who graduated within twelve months after the close of the cohort divided by the total number of students included in the same cohort;

(14) "Graduation requirements", course and credit requirements for the approved program provider's accredited high school diploma;

(15) "High school diploma", a diploma issued by an accredited institution;

(16) "Industry-recognized credential", an education-related credential or work-related credential that verifies an individual's qualification or competence issued by a third party with the relevant authority to issue such credential;

(17) "Learning plan", a documented plan for courses or credits needed for each individual in order to complete program and approved program provider graduation requirements;

(18) "Mentoring", a direct relationship between a coach and a student to facilitate the completion of the student's learning plan designed to prepare the student to succeed in the program and the student's future endeavors;

(19) "Milestones", objective measures of progress for which payment is made to an approved program provider under this section such as earned units of high school credit, attainment of an employability skills certificate, attainment of an industry-recognized credential, attainment of a technical skills assessment, and attainment of an accredited high school diploma;

(20) "Program", the workforce diploma program established in this section;

(21) "Request for qualifications", a request for interested potential program providers to submit evidence

that they meet the qualifications established in subsection 3 of this section;

(22) "Stackable credential", a third-party credential that is part of a sequence of credentials that can be accumulated over time to build up an individual's qualifications to advance along a career pathway;

(23) "Student", a participant in the program established in this section who is twenty-one years of age or older, who is a resident of Missouri, and who has not yet earned a high school diploma;

(24) "Technical skills assessment", a criterion-referenced assessment of an individual's skills required for an entry-level career, or additional training in a technical field, or other postsecondary opportunities;

(25) "Transcript evaluation", a documented summary of credits earned in previous public or private accredited high schools compared with the program and approved program provider graduation requirements;

(26) "Unit of high school credit", credit awarded based on a student's demonstration that the student has successfully met the content expectations for the credit area as defined by subject area standards, expectations, or guidelines.

2. There is hereby established the "Workforce Diploma Program" within the department of elementary and secondary education to assist students with obtaining a high school diploma and developing employability and career technical skills. The program may be delivered in campus-based, blended, or online modalities.

3. (1) Before September 1, 2022, and annually thereafter, the department shall issue a request for qualifications for interested program providers to become approved program providers and participate in the program.

(2) Each approved program provider shall meet all of the following qualifications:

(a) Be an accredited high school diploma-granting entity;

(b) Have a minimum of two years of experience providing adult dropout recovery services;

(c) Provide academic skill intake assessments and transcript evaluations to each student. Such academic skill intake assessments may be administered in person or online;

(d) Develop a learning plan for each student that integrates graduation requirements and career goals;

(e) Provide a course catalog that includes all courses necessary to meet graduation requirements;

(f) Offer remediation opportunities in literacy and numeracy, as applicable;

(g) Offer employability skills certification, as applicable;

(h) Offer career pathways coursework, as applicable;

(i) Ability to provide preparation for industry-recognized credentials or stackable credentials, a technical skills assessment, or a combination thereof; and

(j) Offer career placement services, as applicable.

(3) Upon confirmation by the department that an interested program provider meets all of the qualifications listed in subdivision (2) of this subsection, an interested program provider shall become an approved program provider.

4. (1) The department shall announce the approved program providers before October sixteenth annually, with authorization for the approved program providers to begin enrolling students before November fifteenth annually.

(2) Approved program providers shall maintain approval without reapplying annually if the approved program provider

has not been removed from the approved program provider list under this section.

5. All approved program providers shall comply with requirements as provided by the department to ensure:

(1) An accurate accounting of a student's accumulated credits toward a high school diploma;

(2) An accurate accounting of credits necessary to complete a high school diploma; and

(3) The provision of coursework aligned to the academic performance standards of the state.

6. (1) Except as provided in subdivision (2) of this subsection, the department shall pay an amount as set by the department to approved program providers for the following milestones provided by the approved program provider:

(a) Completion of each half unit of high school credit;

(b) Attainment of an employability skills certification;

(c) Attainment of an industry-recognized credential, technical skills assessment, or stackable credential requiring no more than fifty hours of training;

(d) Attainment of an industry-recognized credential or stackable credential requiring at least fifty-one but no more than one hundred hours of training;

(e) Attainment of an industry-recognized credential or stackable credential requiring more than one hundred hours of training; and

(f) Attainment of an accredited high school diploma.

(2) No approved program provider shall receive funding for a student under this section if the approved program provider receives federal or state funding or private tuition for that student. No approved program provider shall charge student fees of any kind including, but not limited to, textbook fees, tuition fees, lab fees, or

participation fees unless the student chooses to obtain additional education offered by the approved program provider that is not included in the state-funded program.

(3) Payments made under this subsection shall be subject to an appropriation made to the department for such purposes.

7. (1) Approved program providers shall submit monthly invoices to the department before the eleventh calendar day of each month for milestones met in the previous calendar month.

(2) The department shall pay approved program providers in the order in which invoices are submitted until all available funds are exhausted.

(3) The department shall provide a written update to approved program providers by the last calendar day of each month. The update shall include the aggregate total dollars that have been paid to approved program providers to date and the estimated number of enrollments still available for the program year.

8. Before July sixteenth of each year, each provider shall report the following metrics to the department for each individual cohort, on a cohort-by-cohort basis:

(1) The total number of students who have been funded through the program;

(2) The total number of credits earned;

(3) The total number of employability skills certifications issued;

(4) The total number of industry-recognized credentials, stackable credentials, and technical skills assessments earned for each tier of funding;

(5) The total number of graduates;

(6) The average cost per graduate once the stipulated time to make such a calculation has passed; and

(7) The graduation rate once the stipulated time to make such a calculation has passed.

9. (1) Before September sixteenth of each year, each approved program provider shall conduct and submit to the department the aggregate results of a survey of each individual cohort, on a cohort-by-cohort basis, who graduated from the program of the approved program provider under this section. The survey shall be conducted in the year after the year in which the individuals graduate and the next four consecutive years.

(2) The survey shall include at least the following data collection elements for each year the survey is conducted:

(a) The individual's employment status, including whether the individual is employed full time or part time;

(b) The individual's hourly wages;

(c) The individual's access to employer-sponsored health care; and

(d) The individual's postsecondary enrollment status, including whether the individual has completed a postsecondary certificate or degree program.

10. (1) Beginning at the end of the second fiscal year of the program, the department shall review data from each approved program provider to ensure that each is achieving minimum program performance standards including, but not limited to:

(a) A minimum fifty percent average graduation rate per cohort; and

(b) An average cost per graduate per cohort of seven thousand dollars or less.

(2) Any approved program provider that fails to meet the minimum program performance standards described in subdivision (1) of this subsection shall be placed on

probationary status for the remainder of the fiscal year by the department.

(3) Any approved program provider that fails to meet the minimum program performance standards described in subdivision (1) of this subsection for two consecutive years shall be removed from the approved program provider list by the department.

11. (1) No approved program provider shall discriminate against a student on the basis of race, color, religion, national origin, ancestry, sex, sexuality, gender, or age.

(2) If an approved program provider determines that a student would be better served by participating in a different program, the approved program provider may refer the student to the state's adult basic education services.

12. (1) There is hereby created in the state treasury the "Workforce Diploma Program Fund", which shall consist of any grants, gifts, donations, bequests, or moneys appropriated under this section. The state treasurer shall be custodian of the fund. In accordance with sections 30.170 and 30.180, the state treasurer may approve disbursements. The fund shall be a dedicated fund and, upon appropriation, moneys in the fund shall be used solely as provided in this section.

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

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

13. The director of the department may promulgate all necessary rules and regulations for the administration of this section. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2022, shall be invalid and void.

14. [Under section 23.253 of the Missouri sunset act:

(1) The provisions of the new program authorized under this section shall automatically sunset six years after August 28, 2022, unless reauthorized by an act of the general assembly; and

(2) If such program is reauthorized, the program authorized under this section shall automatically sunset twelve years after the effective date of the reauthorization of this section; and

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

15.] If any provision of this section or its application to any person or circumstance is held invalid, such determination shall not affect the provisions or applications of the remainder of this act which may be given effect without the invalid provision or application, and to that end the provisions of this section are severable.