

# SENATE BILL NO. 1121

103RD GENERAL ASSEMBLY

INTRODUCED BY SENATOR TRENT.

5718S.011

KRISTINA MARTIN, Secretary

## AN ACT

To repeal section 173.250, RSMo, and to enact in lieu thereof two new sections relating to higher education workforce policy prioritization.

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

Section A. Section 173.250, RSMo, is repealed and two new  
2 sections enacted in lieu thereof, to be known as sections  
3 173.250 and 173.1541, to read as follows:

173.250. 1. There is hereby established a "Higher  
2 Education Academic Scholarship Program" and any moneys  
3 appropriated by the general assembly for this program shall  
4 be used to provide scholarships for Missouri citizens to  
5 attend a Missouri college or university of their choice  
6 pursuant to the provisions of this section.

7 2. The definitions of terms set forth in section  
8 173.1102 shall be applicable to such terms as used in this  
9 section. In addition, the following definitions shall apply:

10 (1) "Academic scholarship", an amount of money paid by  
11 the state of Missouri to a student pursuant to the  
12 provisions of this section;

13 (2) "ACT", the American College Testing program  
14 examination;

15 (3) "Approved institution", an approved public or  
16 approved private institution as defined in section 173.1102;

17           (4) "Eligible student", an individual who meets the  
18 criteria set forth in section 173.1104, excluding the  
19 requirements of financial need and undergraduate status and,  
20 in addition, meets the following requirements:

21           (a) Has achieved a qualifying score on the ACT or SAT;

22           (b) Is a Missouri resident who has completed secondary  
23 coursework through graduation from high school or the  
24 virtual public school established in section 161.670,  
25 receipt of a general education development (GED) diploma,  
26 completion of a program of study through homeschooling or  
27 any other program of academic instruction that satisfies the  
28 compulsory attendance requirement under section 167.031; and

29           (c) Is enrolled full time or accepted for full-time  
30 enrollment as a postsecondary student at an approved  
31 institution during the academic year immediately following  
32 the completion of his or her secondary coursework;

33           (5) "Missouri test-takers", all Missouri high school  
34 seniors who take the ACT or the SAT;

35           (6) "Qualifying score", a composite score on the ACT  
36 or the SAT achieved in an eligible student's high school  
37 sophomore, junior, or senior year that is in the top five  
38 percent of Missouri test-takers, as established at the  
39 beginning of an eligible student's final year of secondary  
40 coursework;

41           (7) "Recipient", an eligible or renewal student who  
42 receives an academic scholarship pursuant to this section;

43           (8) "Renewal student", an eligible student who remains  
44 in compliance with the provisions of section 173.1104,  
45 maintains continuous enrollment, and makes satisfactory  
46 academic degree progress; and

47           (9) "SAT", the Scholastic Aptitude Test.

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

51           (1) Promulgate reasonable rules and regulations for  
52 the exercise of its functions and the effectuation of the  
53 purposes of this section, including regulations for granting  
54 scholarship deferments;

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

58           (3) Select qualified recipients to receive academic  
59 scholarships, make such awards of academic scholarships to  
60 qualified recipients and determine the manner and method of  
61 payment to the recipient.

62           4. **Before the 2027-28 academic year**, eligible students  
63 shall be offered academic scholarships in the following  
64 amounts and in the following order of priority, within the  
65 limits of the funds appropriated and made available:

66           (1) Each eligible student with a qualifying score in  
67 the top three percent of all Missouri test-takers shall be  
68 offered an academic scholarship of up to three thousand  
69 dollars per year. All students in the top three percent  
70 shall receive awards of three thousand dollars before any  
71 student in the top fourth and fifth percentiles receives any  
72 award;

73           (2) Provided sufficient funds are appropriated, each  
74 eligible student with a qualifying score in the top fourth  
75 and fifth percentiles shall be offered an academic  
76 scholarship of up to one thousand dollars per year.

77           5. **Before the 2027-28 academic year**, eligible students  
78 may renew academic scholarships for their second, third, and  
79 fourth years of postsecondary education, or as long as the

80 recipient is in compliance with the criteria to be a renewal  
81 student.

82         6. If an eligible student is unable to enroll during  
83 the first academic year or a renewal student ceases  
84 attendance at an approved institution for the purpose of  
85 providing service to a nonprofit organization, a state or  
86 federal government agency, or any branch of the Armed Forces  
87 of the United States, such student shall be offered an  
88 academic scholarship upon enrollment in any approved  
89 institution after the completion of their service, if the  
90 student meets all other requirements for an initial or  
91 renewal award and if the following criteria are met:

92         (1) For an eligible student who cannot attend an  
93 approved institution as a result of service to a nonprofit  
94 organization or the state or federal government, the student  
95 returns to full-time status within twenty-seven months and  
96 provides verification to the coordinating board for higher  
97 education that the service to the nonprofit organization was  
98 satisfactorily completed and was not compensated other than  
99 for expenses, or that the service to the state or federal  
100 government was satisfactorily completed; or

101         (2) For an eligible student who cannot attend an  
102 approved institution as a result of military service in the  
103 Armed Forces of the United States, the student returns to  
104 full-time status within six months after the eligible  
105 student first ceases service to the Armed Forces and  
106 provides verification to the coordinating board for higher  
107 education that the military service was satisfactorily  
108 completed.

109         7. A recipient of an academic scholarship awarded  
110 under this section may transfer from one approved

111 institution to another without losing eligibility for the  
112 academic scholarship.

113       8. If a recipient of an academic scholarship at any  
114 time withdraws from an approved institution so that under  
115 the rules and regulations of that institution he or she is  
116 entitled to a refund of any tuition, fees or other charges,  
117 the institution shall pay the portion of the refund  
118 attributable to the academic scholarship for that term to  
119 the coordinating board for higher education.

120       9. Other provisions of this section to the contrary  
121 notwithstanding, if an eligible student has been awarded an  
122 initial academic scholarship pursuant to the provisions of  
123 this section but is unable to attend an approved institution  
124 during the first academic year because of illness,  
125 disability, pregnancy or other medical need or if a renewal  
126 student ceases all attendance at an approved institution  
127 because of illness, disability, pregnancy or other medical  
128 need, the recipient shall be eligible for an initial or  
129 renewal academic scholarship upon enrollment in or return to  
130 any approved institution, provided the recipient:

131       (1) Enrolls in or returns to full-time status within  
132 twenty-seven months;

133       (2) Provides verification in compliance with  
134 coordinating board for higher education rules of sufficient  
135 medical evidence documenting an illness, disability,  
136 pregnancy or other medical need of such person to require  
137 that that person will not be able to use the academic  
138 scholarship during the time period for which it was  
139 originally offered; and

140       (3) Meets all other requirements established for  
141 eligibility to receive an academic scholarship.

142           10. (1) As used in this section, "eligible program of  
143 study" has the same meaning as in section 173.2553.

144           (2) For the 2027-28 academic year and all subsequent  
145 academic years, subject to appropriation:

146           (a) An eligible student shall be offered academic  
147 scholarships in an amount equal to the actual in-state  
148 tuition charged to such eligible student for the first four  
149 semesters the student is enrolled at the approved  
150 institution;

151           (b) An eligible student who has completed the  
152 student's first two semesters and received an academic  
153 scholarship under subsections 1 to 9 of this section shall  
154 be deemed an eligible student under paragraph (a) of this  
155 subdivision for the student's third and fourth semesters; and

156           (c) A renewal student who is enrolled in an eligible  
157 program of study may renew academic scholarships for up to  
158 six semesters in an amount equal to the actual in-state  
159 tuition charged to such eligible student as long as the  
160 recipient is in compliance with the criteria to be a renewal  
161 student.

173.1541. 1. This section shall be known and may be  
2 cited as the "Missouri Higher Education Funding Policy  
3 Prioritization Act".

4           2. The Missouri department of higher education and  
5 workforce development, in consultation with public  
6 institutions of higher education in this state, shall:

7           (1) Develop a funding model for public institutions of  
8 higher education that:

9           (a) Aligns funding for higher education to develop  
10 educated persons to meet the professional and workforce  
11 needs for the state of Missouri;

12           (b) Provides a level of stable, sustainable resources  
13 that allow public institutions of higher education in this  
14 state to serve students well and fulfill such institutions'  
15 missions;

16           (c) Is based on the 2023 study commissioned by the  
17 Missouri department of higher education and workforce  
18 development and is developed in cooperation with public  
19 institutions of higher education in this state and the  
20 Missouri department of higher education and workforce  
21 development using data, mechanics, and calculations that are  
22 as simple and easy to understand as practicable;

23           (d) Includes a process for the allocation of the core  
24 appropriations to public four-year institutions of higher  
25 education; public community colleges, as that term is  
26 defined in section 163.191; and State Technical College of  
27 Missouri;

28           (e) Uses a cost-based approach to funding that  
29 recognizes each institution's instructional mission and that  
30 incorporates accountability and an outcomes-based focus; and

31           (f) Includes a performance component that is designed  
32 to enhance improvement in student success and efficient  
33 operations;

34           (2) Establish a plan for testing and implementing the  
35 funding model described in this section, which plan, after  
36 having been reviewed and consented to by two members of the  
37 Missouri house of representatives appointed by the speaker  
38 of the house of representatives and two members of the  
39 Missouri senate appointed by the president pro tempore of  
40 the senate, shall be approved by the coordinating board for  
41 higher education and submitted to the governor and the  
42 general assembly before August 31, 2026;

43           (3) Evaluate the effectiveness of the funding model  
44 test and submit a report to the governor, the speaker of the  
45 house of representatives, and the president pro tempore of  
46 the senate before October 15, 2026; and

47           (4) Present the funding model to the coordinating  
48 board for higher education for final approval before  
49 November 1, 2026.

50           3. Such funding model shall not become effective  
51 unless approved by the general assembly by concurrent  
52 resolution.

53           4. For the 2028-29 fiscal year and all subsequent  
54 fiscal years, the appropriation of state funding to public  
55 four-year institutions of higher education; public community  
56 colleges, as that term is defined in section 163.191; and  
57 State Technical College of Missouri shall be in accordance  
58 with such funding model approved by the general assembly.

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