

# SENATE BILL NO. 107

102ND GENERAL ASSEMBLY

INTRODUCED BY SENATOR ARTHUR.

1164S.01I

KRISTINA MARTIN, Secretary

## AN ACT

To repeal sections 173.775, 173.778, 173.781, 173.784, 173.787, 173.790, and 173.796, RSMo, and to enact in lieu thereof six new sections relating to teacher student loan forgiveness.

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

Section A. Sections 173.775, 173.778, 173.781, 173.784, 2 173.787, 173.790, and 173.796, RSMo, are repealed and six new 3 sections enacted in lieu thereof, to be known as sections 4 173.775, 173.778, 173.784, 173.787, 173.790, and 173.796, to 5 read as follows:

173.775. 1. Sections 173.775 to 173.796 shall be 2 known as the "Advantage Missouri **Teachers** Program". This 3 program shall provide loans to and establish a loan 4 forgiveness program for students in approved educational 5 programs who become employed in [occupational areas of high 6 demand in this state] **high-needs traditional public and 7 public charter schools.**

8 2. The "Advantage Missouri **Teachers** Trust Fund" is 9 hereby created in the state treasury, to be used by the 10 coordinating board for higher education to provide loans 11 pursuant to sections 173.775 to 173.796. All appropriations, 12 private donations, and other funds provided to the board for 13 this program shall be credited to the fund. All funds 14 generated by loan repayments and any penalties received 15 pursuant to sections 173.787 and 173.790, shall also be 16 credited to the fund. Notwithstanding the provisions of

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

17 section 33.080 to the contrary, any unexpended balance in  
18 the fund shall not revert to the general revenue fund.

173.778. As used in sections 173.775 to 173.796, the  
2 following terms mean:

3 (1) "Approved private institution", a nonprofit  
4 institution, dedicated to educational purposes, located in  
5 Missouri which:

6 (a) Is operated privately under the control of an  
7 independent board and not directly controlled or  
8 administered by any public agency or political subdivision;

9 (b) Provides a postsecondary course of instruction at  
10 least six months in length leading to or directly creditable  
11 toward a certificate or degree;

12 (c) Meets the standards for accreditation as  
13 determined by either the North Central Association of  
14 Colleges and Secondary Schools or by other accrediting  
15 bodies recognized by the United States Office of Education  
16 or by utilizing accreditation standards applicable to  
17 nondegree-granting institutions as established by the  
18 coordinating board for higher education;

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

27 (e) Permits faculty members to select textbooks  
28 without influence or pressure by any religious or sectarian  
29 source;

30 (2) "Approved public institution", an educational  
31 institution located in Missouri which:

32 (a) Is directly controlled or administered by a public  
33 agency or political subdivision;

34 (b) Receives appropriations directly or indirectly  
35 from the general assembly for operating expenses;

36 (c) Provides a postsecondary course of instruction at  
37 least six months in length leading to or directly creditable  
38 toward a degree or certificate;

39 (d) Meets the standards for accreditation as  
40 determined by either the North Central Association of  
41 Colleges and Secondary Schools, or if a public junior  
42 college created pursuant to the provisions of sections  
43 178.370 to 178.400, meets the standards established by the  
44 coordinating board for higher education for such public  
45 junior colleges, or by other accrediting bodies recognized  
46 by the United States Office of Education or by utilizing  
47 accreditation standards applicable to the institution as  
48 established by the coordinating board for higher education;

49 (e) Does not discriminate in the hiring of  
50 administrators, faculty and staff or in the admission of  
51 students on the basis of race, color, religion, sex, or  
52 national origin and is otherwise in compliance with the  
53 Federal Civil Rights Acts of 1964 and 1968 and executive  
54 orders issued pursuant thereto;

55 (f) Permits faculty members to select textbooks  
56 without influence or pressure by any religious or sectarian  
57 source;

58 [(1)] (3) "Board", the coordinating board for higher  
59 education;

60 (4) "Designated teacher preparation program", any  
61 complete baccalaureate or post baccalaureate program offered

62 by a public or private institution of postsecondary  
63 education and approved by the state board of education, from  
64 which candidates may be recommended for teacher  
65 certification;

66 [(2)] (5) "Eligible institution", any approved public  
67 or private institution of postsecondary education, [as  
68 defined in section 173.205] or any other Missouri private  
69 institution that:

70 (a) Is required by statute to be certified to operate  
71 by the board;

72 (b) Is institutionally accredited by a United States  
73 Department of Education recognized accrediting commission;

74 (c) Has operated continuously in the state of Missouri  
75 for five or more years;

76 (d) Has no more than fifty percent of its students in  
77 correspondence programs;

78 (e) Offers a [one-year or two-year certificate,  
79 associate or] baccalaureate **or master's** degree [programs, or  
80 graduate or professional degree programs] **plus teaching**  
81 **certification**; and

82 (f) Is approved for participation in the advantage  
83 Missouri **teachers** program by the board;

84 [(3)] (6) "Eligible student", an individual who [is  
85 enrolled full time in an eligible institution, unless the  
86 board approves less than full-time enrollment, who meets the  
87 eligibility requirements pursuant to subsection 1 of section  
88 173.215 and who meets the following additional requirements]:

89 (a) **Is a citizen or a permanent resident of the United**  
90 **States**;

91 (b) **Is a resident of the state of Missouri, as**  
92 **determined by reference to standards promulgated by the**  
93 **board**;

94 (c) Is enrolled, or has been accepted for enrollment,  
95 as a full-time undergraduate or graduate student in an  
96 approved private or public institution;

97 (d) Establishes that he or she has financial need;

98 (e) Has never been convicted in any court of an  
99 offense which involved the use of force, disruption or  
100 seizure of property under the control of any institution of  
101 higher education to prevent officials or students in such  
102 institutions from engaging in their duties or pursuing their  
103 studies;

104 (f) Is not enrolled, or intends to use the award to  
105 enroll, in a course of study leading to a degree in theology  
106 or divinity;

107 [(a)] (g) Has received a high school diploma, general  
108 educational development certificate (GED), or its equivalent;

109 [(b)] (h) Maintains satisfactory academic progress as  
110 determined by the eligible institution such student attends  
111 in pursuing a [one-year or two-year certificate, associate  
112 or] baccalaureate **or master's** degree[, or graduate or  
113 professional degree. Failure to maintain satisfactory  
114 academic progress shall result in ineligibility for  
115 continued participation in the program and ineligibility for  
116 forgiveness of any loan or loans received] **plus teaching  
117 certification;**

118 [(c)] (i) Is not currently confined in any federal or  
119 state correctional facility or jail;

120 [(d)] (j) Has not defaulted on the repayment of any  
121 previously granted higher education loan; [and

122 (e)] (k) Submits an application provided by the board  
123 for participation in the program; **and**

124           (1) Is enrolled full time in a designated teacher  
125 preparation program in an eligible institution, unless the  
126 board approves less than full-time enrollment;

127           [(4)] (7) "Fund", the advantage Missouri teachers trust  
128 fund, established in section 173.775; and

129           [(5) "Occupational areas of high demand", specific  
130 professions or skill areas for which the board determines  
131 that the state is experiencing a shortage of qualified  
132 employees;]

133           (8) "High-needs school", any school that meets the  
134 standards set forth by the teacher cancellation low-income  
135 directory of the federal Department of Education;

136           (9) "Initial Teacher Certification", the first  
137 teaching certificate a new educator receives, provided that  
138 a minimum of a baccalaureate degree from a college or  
139 university having a teacher education program approved by  
140 the state board of education is required. The applicant  
141 shall additionally have a recommendation for certification  
142 from the designated official for teacher education at the  
143 college or university where the program was completed;

144           [(6)] (10) "Program", the advantage Missouri teachers  
145 program established pursuant to sections 173.775 to 173.796;

146           (11) "Teacher", a person who provides either direct  
147 classroom teaching or classroom-type teaching in a non-  
148 classroom setting, including special education teachers.  
149 "Teacher" does not include school librarians, guidance  
150 counselors, and other administrative staff.

173.784. An eligible student may participate in the  
2 program for up to [ten semesters, or their equivalent,  
3 whether consecutive or not, and may be awarded a loan of up  
4 to two thousand five hundred dollars per academic year by  
5 the board, not to exceed a maximum of ten thousand dollars.

6 No student shall participate in the program more than seven  
7 years after beginning such participation] **either eight**  
8 **undergraduate semesters or four graduate semesters, but not**  
9 **both, whether consecutive semesters or not, and may be**  
10 **awarded a loan of up to three thousand five hundred dollars**  
11 **per undergraduate academic semester or three thousand**  
12 **dollars per graduate academic semester by the board, not to**  
13 **exceed an annual maximum of seven thousand dollars for**  
14 **undergraduate students, and six thousand dollars for**  
15 **graduate students towards an initial teacher certification.**

173.787. Eligible students who are in compliance with  
2 program requirements may qualify for forgiveness of a loan  
3 or loans received through the program by agreeing to be  
4 employed [in an occupational area of high demand] **full-time**  
5 **as a teacher in a high-needs school** within the state of  
6 Missouri, as determined by the board, with such employment  
7 beginning within one calendar year of graduation by the  
8 individual from an eligible institution, and as outlined in  
9 the contract pursuant to section 173.790. [The employment  
10 qualifying the eligible student for loan forgiveness shall  
11 be approved by the board.] **The employment qualifying the**  
12 **eligible student for loan forgiveness shall be confirmed by**  
13 **administration at the employing high-needs school, and**  
14 **approved by the board. The board shall approve loan**  
15 **forgiveness of the full amount disbursed to the individual**  
16 **by the fund after completion of four consecutive years of**  
17 **public teaching service in a high-needs school.** The board  
18 shall approve loan forgiveness on a year-for-year basis,  
19 with each year of approved employment qualifying the student  
20 for the forgiveness of one year's loans. Students electing  
21 not to comply with these employment requirements, or  
22 students failing to meet these requirements shall be

23 required to repay with interest any or all loans received,  
24 pursuant to the contractual provisions described in section  
25 173.790.

173.790. 1. The board shall enter into a contract  
2 with each individual qualifying for participation in the  
3 program at the time the individual declares a major or  
4 decides on a course of study[, if a major is not declared at  
5 the institution at which the individual is enrolled] **that**  
6 **includes concurrent completion of coursework to earn a**  
7 **Missouri teaching certificate.** The written contract shall  
8 contain, but not be limited to, the following:

9 (1) The terms and conditions under which the loan is  
10 made, and the requirements for repayment of the loan by the  
11 student;

12 (2) A stipulation that, the provisions of section  
13 143.811 to the contrary notwithstanding, no interest shall  
14 be assessed on any loan provided through the program while  
15 the student is enrolled full time, or enrolled part-time  
16 with the approval of the board, and meets the eligibility  
17 requirements pursuant to section 173.778;

18 (3) The terms and conditions for qualifying for  
19 forgiveness of loan proceeds received through the program;

20 (4) A provision that any financial obligations arising  
21 out of a contract entered into, and any obligations of the  
22 individual which are conditioned thereon, are contingent  
23 upon funds being appropriated to the fund and on the  
24 availability of [a targeted high demand job; and] **employment**  
25 **in a high-needs school;**

26 (5) The amount of any penalties assessed, in the event  
27 repayment of the loan by the student is not made in  
28 accordance with the contract, or the student fails to



29 maintain eligibility or other requirements of the program.  
30 All such penalties shall be deposited in the fund; and

31 **(6) A stipulation that, the provisions of section**  
32 **143.811 to the contrary notwithstanding, interest accrued on**  
33 **any loan provided through the program while the individual**  
34 **is employed full-time as a teacher in a high-needs school**  
35 **pursuant to section 173.787 will be forgiven with the loan**  
36 **amount if the applicant meets eligibility requirements for**  
37 **loan forgiveness.**

38 2. Sections 173.775 to 173.796 shall not be construed  
39 to require the board to enter into contracts with  
40 individuals who otherwise qualify for the program when funds  
41 are not available for such purpose.

173.796. 1. As used in this section, the term  
2 "taxpayer" means an individual, a partnership, or a  
3 corporation as described in section 143.441 or 143.471, and  
4 includes any charitable organization which is exempt from  
5 federal income tax and whose Missouri unrelated business  
6 taxable income, if any, would be subject to the state income  
7 tax imposed under chapter 143.

8 2. Any taxpayer may make a contribution to the fund.  
9 Within the limits specified in subsection 3 of this section,  
10 a taxpayer shall be allowed a credit against the taxes  
11 imposed pursuant to chapter 143, except for sections 143.191  
12 to 143.265, on that individual or entity of up to fifty  
13 percent of the total amount contributed to the fund, not to  
14 exceed one hundred thousand dollars per taxpayer.

15 3. The department of revenue shall administer the tax  
16 credits pursuant to this section, and shall certify  
17 eligibility for the tax credits in the order applications  
18 are received. The total amount of tax credits certified in  
19 any one calendar year shall not exceed five million dollars

20 annually. Contributions of up to one hundred thousand  
21 dollars per annum per taxpayer may be certified by the  
22 department of revenue as a qualified contribution for  
23 purposes of receiving a tax credit under this program.

24 4. If the amount of tax credit exceeds the total tax  
25 liability for the year in which the tax credit is claimed,  
26 the amount that exceeds the state tax liability may be  
27 carried forward for credit against the taxes imposed  
28 pursuant to chapter 143, except for sections 143.191 to  
29 143.265, for the succeeding ten years, or until the full  
30 credit is used, whichever occurs first.

31 5. For all tax years beginning on or after January 1,  
32 [2005] 2030, no tax credits shall be authorized, awarded, or  
33 issued to any person or entity claiming any tax credit under  
34 this section.

35 6. The provisions of this section shall become  
36 effective January 1, 1999.

2 [173.781. By August 28, 1998, and by June  
3 first of each year thereafter, the board shall  
4 designate occupational areas of high demand in  
5 the state. The board shall also designate  
6 professions and skill areas directly related to  
7 the areas of high demand, and the degree  
8 programs or certifications directly leading to  
9 employment in such areas. In making such  
10 designations, the board shall consult with the  
11 department of labor and industrial relations,  
12 the department of economic development, and  
13 private sector business and labor groups. The  
14 board shall also consult with other private and  
15 public agencies and individuals with expertise  
16 related to labor markets, geographic and  
17 demographic analysis, and solicit input from  
18 interested parties throughout the state, in  
19 order to ensure that:

20 (1) The diverse needs of the state are  
21 considered; and

22 (2) That these designations reflect the  
23 broad, long-term economic, educational, and  
24 public policy interests of the state in both the  
public and private sectors.]

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