

# SENATE BILL NO. 579

103RD GENERAL ASSEMBLY

INTRODUCED BY SENATOR HUDSON.

2197S.01H

KRISTINA MARTIN, Secretary

## AN ACT

To repeal sections 173.1102, 173.1103, and 173.1105, RSMo, and to enact in lieu thereof three new sections relating to postsecondary education financial assistance awards.

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

Section A. Sections 173.1102, 173.1103, and 173.1105, RSMo, are repealed and three new sections enacted in lieu thereof, to be known as sections 173.1102, 173.1103, and 173.1105, to read as follows:

173.1102. 1. As used in sections 173.1101 to 173.1107, unless the context requires otherwise, the following terms mean:

(1) "Academic year", the period from July first of any year through June thirtieth of the following year;

(2) "Approved private institution", a nonprofit institution, dedicated to educational purposes, located in Missouri which:

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

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

(c) Meets the standards for accreditation as determined by either the Higher Learning Commission or by other accrediting bodies recognized by the United States

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

18 Department of Education or by utilizing accreditation  
19 standards applicable to nondegree-granting institutions as  
20 established by the coordinating board for higher education;

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

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

32 (3) "Approved public institution", an educational  
33 institution located in Missouri which:

34 (a) Is directly controlled or administered by a public  
35 agency or political subdivision;

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

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

41 (d) Meets the standards for accreditation as  
42 determined by either the Higher Learning Commission, or if a  
43 public community college created under the provisions of  
44 sections 178.370 to 178.400 meets the standards established  
45 by the coordinating board for higher education for such  
46 public community colleges, or by other accrediting bodies  
47 recognized by the United States Department of Education or  
48 by utilizing accreditation standards applicable to the

49 institution as established by the coordinating board for  
50 higher education;

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

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

60 (4) "Approved virtual institution", an educational  
61 institution that meets all of the following requirements:

62 (a) Is recognized as a qualifying institution by  
63 gubernatorial executive order, unless such order is  
64 rescinded;

65 (b) Is recognized as a qualifying institution through  
66 a memorandum of understanding between the state of Missouri  
67 and the approved virtual institution;

68 (c) Is accredited by a regional accrediting agency  
69 recognized by the United States Department of Education;

70 (d) Has established and continuously maintains a  
71 physical campus or location of operation within the state of  
72 Missouri;

73 (e) Maintains at least twenty-five full-time Missouri  
74 employees, at least one-half of which shall be faculty or  
75 administrators engaged in operations;

76 (f) Enrolls at least one thousand Missouri residents  
77 as degree- or certificate-seeking students;

78 (g) Maintains a governing body or advisory board based  
79 in Missouri with oversight of Missouri operations;

80 (h) Is organized as a nonprofit institution; and

81 (i) Utilizes an exclusively competency-based education  
82 model;

83 (5) "Coordinating board", the coordinating board for  
84 higher education;

85 (6) ["Expected family contribution", the amount of  
86 money a student and family should pay toward the cost of  
87 postsecondary education as calculated by the United States  
88 Department of Education and reported on the student aid  
89 report or the institutional student information record;

90 (7)] "Financial assistance", an amount of money paid  
91 by the state of Missouri to a qualified applicant under  
92 sections 173.1101 to 173.1107;

93 [(8)] (7) "Full-time student", an individual who is  
94 enrolled in and is carrying a sufficient number of credit  
95 hours or their equivalent at an approved private, public, or  
96 virtual institution to secure the degree or certificate  
97 toward which he or she is working in no more than the number  
98 of semesters or their equivalent normally required by that  
99 institution in the program in which the individual is  
100 enrolled. This definition shall be construed as the  
101 successor to subdivision (7) of section 173.205 for purposes  
102 of eligibility requirements of other financial assistance  
103 programs that refer to section 173.205;

104 (8) "Student aid index", the amount of money a student  
105 and family should pay toward the cost of postsecondary  
106 education as calculated by the United States Department of  
107 Education and reported on the student aid report or the  
108 institutional student information record.

109 2. The failure of an approved virtual institution to  
110 continuously maintain all of the requirements in paragraphs  
111 (a) to (i) of subdivision (4) of subsection 1 of this  
112 section shall preclude such institution's students or

113 applicants from being eligible for assistance under sections  
114 173.1104 and 173.1105.

173.1103. 1. The coordinating board shall be the  
2 administrative agency for the implementation of the program  
3 established by sections 173.1101 to 173.1107. The  
4 coordinating board shall promulgate reasonable rules and  
5 regulations for the exercise of its functions and the  
6 effectuation of the purposes of sections 173.1101 to  
7 173.1107. It shall prescribe the form and the time and  
8 method of filing applications and supervise the processing  
9 thereof. The coordinating board shall determine the  
10 criteria for eligibility of applicants and shall evaluate  
11 each applicant's [expected family contribution] **student aid**  
12 **index**. It shall select qualified recipients to receive  
13 financial assistance, make such awards of financial  
14 assistance to qualified recipients, and determine the manner  
15 and method of payment to the recipient.

16 2. The coordinating board shall determine eligibility  
17 for renewed assistance on the basis of annual applications  
18 and annual evaluations of [expected family contribution]  
19 **student aid index**. In awarding renewal grants, the  
20 coordinating board may increase or decrease the amount of  
21 financial assistance to an applicant if such action is  
22 warranted by a change in the financial condition of the  
23 applicant, the applicant's spouse or parents, or the  
24 availability of funds for that year. As a condition to  
25 consideration for initial or renewed assistance, the  
26 coordinating board may require the applicant, the  
27 applicant's spouse and parents to execute forms of consent  
28 authorizing the director of revenue of Missouri to compare  
29 financial information submitted by the applicant with the  
30 Missouri individual income tax returns of the applicant, the

31 applicant's spouse and parents for the taxable year  
32 immediately preceding the year for which application is  
33 made, and to report any discrepancies to the coordinating  
34 board.

35         3. There is hereby created in the state treasury the  
36 "Access Missouri Financial Assistance Fund". The state  
37 treasurer shall be custodian of the fund and may approve  
38 disbursements from the fund in accordance with sections  
39 30.170 and 30.180. Upon appropriation, money in the fund  
40 shall be used solely to provide financial assistance to  
41 qualified applicants as provided by sections 173.1101 to  
42 173.1107. Notwithstanding the provisions of section 33.080  
43 to the contrary, any moneys remaining in the fund at the end  
44 of the biennium shall not revert to the credit of the  
45 general revenue fund. The state treasurer shall invest  
46 moneys in the fund in the same manner as other funds are  
47 invested. Any interest and moneys earned on such  
48 investments shall be credited to the fund.

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

6         (1) For academic years 2010-11, 2011-12, 2012-13, and  
7 2013-14:

8             (a) One thousand dollars maximum and three hundred  
9 dollars minimum for students attending institutions  
10 classified as part of the public two-year sector;

11             (b) Two thousand one hundred fifty dollars maximum and  
12 one thousand dollars minimum for students attending  
13 institutions classified as part of the public four-year  
14 sector, including State Technical College of Missouri; and

15 (c) Four thousand six hundred dollars maximum and two  
16 thousand dollars minimum for students attending approved  
17 private institutions;

18 (2) For the 2014-15 academic year [and subsequent  
19 years] **through the 2024-25 academic year:**

20 (a) One thousand three hundred dollars maximum and  
21 three hundred dollars minimum for students attending  
22 institutions classified as part of the public two-year  
23 sector; and

24 (b) Two thousand eight hundred fifty dollars maximum  
25 and one thousand five hundred dollars minimum for students  
26 attending institutions classified as part of the public four-  
27 year sector, including State Technical College of Missouri,  
28 approved private institutions, or approved virtual  
29 institutions; **and**

30 **(3) For the 2025-26 academic year and all subsequent**  
31 **academic years:**

32 (a) **One thousand seven hundred dollars maximum and**  
33 **five hundred dollars minimum for students attending**  
34 **institutions classified as part of the public two-year**  
35 **sector; and**

36 (b) **Three thousand five hundred dollars maximum and**  
37 **one thousand seven hundred fifty dollars minimum for**  
38 **students attending institutions classified as part of the**  
39 **public four-year sector, including State Technical College**  
40 **of Missouri, approved private institutions, or approved**  
41 **virtual institutions.**

42 2. All students with [an expected family contribution]  
43 **a student aid index** of twelve thousand dollars or less shall  
44 receive at least the minimum award amount for his or her  
45 institution. Maximum award amounts for an eligible student  
46 with [an expected family contribution] **a student aid index**

47 above seven thousand dollars shall be reduced by ten percent  
48 of the maximum [expected family contribution] **student aid**  
49 **index** for his or her increment group. Any award amount  
50 shall be reduced by the amount of a student's payment from  
51 the A+ schools program or any successor program to it. For  
52 purposes of this subsection, the term "increment group"  
53 shall mean a group organized by [expected family  
54 contribution] **student aid index** in five hundred dollar  
55 increments into which all eligible students shall be placed.

56 3. If appropriated funds are insufficient to fund the  
57 program as described, the maximum award shall be reduced  
58 across all sectors by the percentage of the shortfall. If  
59 appropriated funds exceed the amount necessary to fund the  
60 program, the additional funds shall be used to increase the  
61 number of recipients by **either extending the deadline for**  
62 **filing an application or** raising the cutoff for the  
63 [expected family contribution] **student aid index** rather than  
64 by increasing the size of the award, **as determined by the**  
65 **coordinating board.**

66 4. Every three years, beginning with **the 2025-26**  
67 academic year [2009-10], the award amount may be adjusted to  
68 increase no more than the Consumer Price Index for All Urban  
69 Consumers (CPI-U), 1982-1984 = 100, not seasonally adjusted,  
70 as defined and officially recorded by the United States  
71 Department of Labor, or its successor agency, for the  
72 previous academic year. The coordinating board shall  
73 prepare a report prior to the legislative session for use of  
74 the general assembly and the governor in determining budget  
75 requests which shall include the amount of funds necessary  
76 to maintain full funding of the program based on the  
77 baseline established for the program upon the effective date  
78 of sections 173.1101 to 173.1107. Any increase in the award



79 amount shall not become effective unless an increase in the  
80 amount of money appropriated to the program necessary to  
81 cover the increase in award amount is passed by the general  
82 assembly.

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