

## CONFERENCE COMMITTEE SUBSTITUTE

FOR

## SENATE COMMITTEE SUBSTITUTE

FOR

HOUSE BILL NO. 1865

AN ACT

To repeal sections 160.254, 173.215, 173.220, and  
173.820, RSMo, and to enact in lieu thereof nine new  
sections relating to higher education.

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

Section A. Sections 160.254, 173.215, 173.220, and 173.820,  
RSMo, are repealed and nine new sections enacted in lieu thereof,  
to be known as sections 160.254, 173.093, 173.195, 173.215,  
173.220, 173.820, 173.1000, 173.1003, and 173.1006, to read as  
follows:

160.254. 1. There is hereby established a joint committee  
of the general assembly, which shall be known as the "Joint  
Committee on Education", which shall be composed of seven members  
of the senate and seven members of the house of representatives.  
The senate members of the committee shall be appointed by the  
president pro tem of the senate and the house members by the  
speaker of the house.

2. The committee [may] shall meet [and function in any year  
that the president pro tem of the senate and the speaker of the  
house of representatives appoint members to serve on the  
committee] at least twice a year. In the event of three

1 consecutive absences on the part of any member, such member may  
2 be removed from the committee.

3 3. The committee shall select either a chairman or  
4 cochairmen, one of whom shall be a member of the senate and one a  
5 member of the house. A majority of the members shall constitute  
6 a quorum. Meetings of the committee may be called at such time  
7 and place as the chairman or chairmen designate.

8 4. The committee shall:

9 (1) Review and monitor the progress of education in the  
10 state's public schools and institutions of higher education;

11 (2) Receive reports from the commissioner of education  
12 concerning the public schools and from the commissioner of higher  
13 education concerning institutions of higher education;

14 (3) Conduct a study and analysis of the public school  
15 system;

16 (4) Make recommendations to the general assembly for  
17 legislative action; [and]

18 (5) Conduct an in-depth study concerning all issues  
19 relating to the equity and adequacy of the distribution of state  
20 school aid, teachers' salaries, funding for school buildings, and  
21 overall funding levels for schools and any other education  
22 funding-related issues the committee deems relevant;

23 (6) Have oversight of the establishment of performance  
24 measures as required by section 173.1006, RSMo, and report on  
25 their establishment to the governor and the general assembly;

26 (7) Conduct studies and analysis regarding:

27 (a) The higher education system, including financing public  
28 higher education and the provision of financial aid for higher

1 education;

2 (b) Options for making the state-need-based scholarship  
3 programs more efficient and effective by combining such programs;  
4 and

5 (c) The feasibility of including students enrolled in  
6 proprietary schools, as that term is defined in section 173.600,  
7 RSMo, in all state-based financial aid programs; and

8 (8) Annually review the collection of information by the  
9 coordinating board for higher education necessary to calculate  
10 the net cost of attendance at the state's higher education  
11 institutions to facilitate a more accurate comparison of the  
12 costs at public and private higher education institutions.

13 5. The committee may make reasonable requests for staff  
14 assistance from the research and appropriations staffs of the  
15 house and senate and the committee on legislative research, as  
16 well as the department of elementary and secondary education, the  
17 department of higher education, the coordinating board for higher  
18 education, the state tax commission, the department of economic  
19 development, all school districts and other political  
20 subdivisions of this state, teachers and teacher groups, business  
21 and other commercial interests and any other interested persons.

22 6. Members of the committee shall receive no compensation  
23 but may be reimbursed for reasonable and necessary expenses  
24 associated with the performance of their official duties.

25 173.093. No student enrolled in an approved public or  
26 private institution of higher education in this state, as defined  
27 in section 173.205, shall receive state-need-based financial  
28 assistance that results in receipt of financial assistance that

1 exceeds the student's cost of attendance. Approved institutions  
2 shall comply with the provisions of this section and shall, upon  
3 request by the department of higher education, provide financial  
4 information to the department to determine compliance with the  
5 requirements of this section.

6 173.195. 1. There is hereby established the "Access  
7 Missouri Scholarship Program". Any moneys appropriated by the  
8 general assembly for such program shall be used to provide  
9 nonrenewable scholarships for Missouri residents to attend an  
10 approved institution of higher education in this state that meets  
11 the definition of an "approved institution" in section 173.205  
12 for a freshman year under this section. Scholarships shall be  
13 offered beginning for any academic term beginning within twenty-  
14 four months following the date of graduation from high school to  
15 Missouri high school graduates who meet the requirements of this  
16 section.

17 2. For purposes of this section, "scholarship" means moneys  
18 paid by the state of Missouri on behalf of a qualified student  
19 enrolled in an approved institution of higher education under  
20 this section for an initial full academic year of study.

21 3. The commissioner of higher education shall establish a  
22 procedure for the reimbursement of the cost of tuition and fees  
23 up to the maximum specified in subsection 4 of this section to  
24 any approved institution in this state for any student:

25 (1) Who is not eligible under the A+ program established in  
26 section 160.545, RSMo, because the program was not available  
27 through the student's high school; and

28 (a) Who has attended a recognized high school in this state

1 for at least three years immediately prior to graduation; except  
2 that, students who are dependents of active duty military  
3 personnel who, in the school year immediately preceding  
4 graduation, meet all other requirements of this subsection shall  
5 be exempt from the three-year attendance requirement of this  
6 paragraph;

7 \_\_\_\_\_ (b) Who has made a good faith effort to first secure all  
8 available federal sources of funding that may be applied to the  
9 reimbursement described in this subsection; and

10 \_\_\_\_\_ (c) Who has earned a two-point-five grade average on a  
11 four-point scale, or the equivalent on another scale, while in  
12 high school consistent with the requirements of the A+ program  
13 and other requirements for the reimbursement authorized by this  
14 subsection, which shall include community service during high  
15 school as determined by rule of the coordinating board for higher  
16 education; or

17 \_\_\_\_\_ (2) Who is eligible under the A+ program established under  
18 section 160.545, RSMo, who chooses to apply for and is admitted  
19 to an approved institution that does not participate in the A+  
20 program.

21 \_\_\_\_\_ 4. The maximum scholarship shall be no more than one  
22 thousand dollars. The coordinating board for higher education  
23 shall be the administrative agency for the implementation of the  
24 program established under this section, and shall:

25 \_\_\_\_\_ (1) Promulgate reasonable rules to implement the provisions  
26 of this section;

27 \_\_\_\_\_ (2) Prescribe the form and the time and method of awarding  
28 scholarships, and supervise the processing thereof; and

1       (3) Select qualified recipients to receive scholarships,  
2       make such awards of scholarships to qualified recipients, and  
3       determine the manner and method of payment to the approved  
4       institution on behalf of the recipient.

5       5. A recipient of a scholarship awarded under this section  
6       may transfer from one approved institution to another without  
7       losing eligibility for the scholarship. If at any time a  
8       recipient of the scholarship withdraws from an approved  
9       institution, which under the rules of such institution would  
10       entitle the student to a refund of any tuition, fees or other  
11       charges, the institution shall pay the portion of the refund  
12       attributable to the scholarship for such term to the coordinating  
13       board for higher education.

14       6. The commissioner of higher education shall develop a  
15       procedure for evaluating the effectiveness of the program  
16       described in this section. Such evaluation shall be conducted  
17       annually and the results of the evaluation shall be provided to  
18       the governor, the general assembly, and the joint committee on  
19       education established under section 160.254, RSMo.

20       173.215. 1. An applicant shall be eligible for initial or  
21       renewed financial assistance only if, at the time of [his] the  
22       applicant's application and throughout the period during which  
23       [he] the applicant is receiving such assistance, [he] the  
24       applicant:

25       (1) Is a citizen or a permanent resident of the United  
26       States;

27       (2) Is a resident of the state of Missouri, as determined  
28       by reference to standards promulgated by the coordinating board;

1           (3) Is enrolled, or has been accepted for enrollment, as a  
2 full-time undergraduate student in an approved private or public  
3 institution;

4           (4) Establishes that [he] the applicant has financial need;

5           (5) Has [never been convicted in any court of an offense  
6 which involved the use of force, disruption or seizure of  
7 property under the control of any institution of higher education  
8 to prevent officials or students in such institutions from  
9 engaging in their duties or pursuing their studies; and] not been  
10 found guilty of or pled guilty to any criminal offense or been  
11 adjudicated to have committed an offense which would constitute a  
12 criminal offense if committed by an adult;

13           (6) Meets the minimum academic standards of a two-point-  
14 five grade average on a four-point scale, or the equivalent on  
15 another scale, for renewal of assistance; and

16           [(6)] (7) No award shall be made under sections 173.200 to  
17 173.230 to any applicant who is enrolled, or who intends to use  
18 the award to enroll, in a course of study leading to a degree in  
19 theology or divinity.

20           2. Financial assistance shall be allotted for one academic  
21 year, but a recipient shall be eligible for renewed assistance  
22 until [he] the recipient has obtained a baccalaureate degree,  
23 provided such financial assistance shall not exceed a total of  
24 ten semesters or fifteen quarters or their equivalent. Standards  
25 of eligibility for renewed assistance shall be the same as for an  
26 initial award of financial assistance.

27           173.220. An applicant who is enrolled or has been accepted  
28 for enrollment as an undergraduate postsecondary student at an

1 approved private or public institution [after August 13, 1979,]  
2 and who meets the other eligibility criteria shall be entitled to  
3 financial assistance based primarily on [his] the applicant's  
4 financial need and to the extent of [his] the applicant's  
5 financial need as determined by the coordinating board[, except  
6 that effective August 1, 1980,] ; except that the amount of such  
7 grant shall not exceed the least of:

8 (1) The applicant's demonstrated financial need as  
9 determined by the coordinating board; or

10 (2) One-half the tuition and mandatory fee charges in  
11 effect the prior academic year at the approved institution the  
12 applicant plans to attend; or

13 (3) Fifteen hundred dollars[;  
14 and until that date the grant shall not exceed the least of:

15 (1) The applicant's demonstrated financial need as  
16 determined by the coordinating board; or

17 (2) One-half the fall 1971 tuition and mandatory fee  
18 charges at the approved institution the applicant plans to  
19 attend; or

20 (3) Nine hundred dollars].

21 173.820. 1. A student shall be eligible for an initial or  
22 renewed scholarship if such student is in compliance with the  
23 eligibility requirements set forth in section 173.215, and in  
24 addition meets the following requirements:

25 (1) [Has a cumulative grade point average of at least two  
26 and one-half on a four-point scale or equivalent on the student's  
27 high school core curriculum and has completed a high school  
28 curriculum satisfying the coordinating board's requirements for a



1 college preparatory or technical preparatory curriculum;

2 (2) Has received a score of twenty or higher on the general  
3 American College Test (ACT) or a composite verbal and math score  
4 of nine hundred and fifty or higher on the Scholastic Aptitude  
5 Test (SAT);

6 (3)] Has not been [convicted] found guilty of or pled  
7 guilty to any criminal offense or been adjudicated to have  
8 committed an offense which would constitute a criminal offense if  
9 committed by an adult; and

10 [(4) Has substantially participated in extracurricular  
11 activities, as determined by the coordinating board; and

12 (5)] (2) For the purpose of renewal, remains in compliance  
13 with the applicable provisions of section 173.215, and makes  
14 satisfactory academic degree progress as a full-time student.

15 2. (1) A student seeking to renew a scholarship pursuant  
16 to sections 173.810 to 173.827 shall maintain a cumulative grade  
17 point average (GPA) of at least two point five on a four-point  
18 scale, or the equivalent on another scale approved by the program  
19 administrator while attending the approved public or private  
20 institution.

21 (2) If the grade point average of a member who is receiving  
22 educational assistance pursuant to sections 173.810 to 173.827  
23 falls below [two point five on a four-point scale, or the  
24 equivalent on another scale] the required level established in  
25 this subsection, such member shall retain the educational  
26 assistance and shall be placed on probation under the educational  
27 assistance program. Failure to achieve a current grade point  
28 average of [at least two point five on a four-point scale, or the

1 equivalent on another scale] the required level for future  
2 semesters or equivalent academic terms shall result in  
3 termination of the scholarship effective as of the next academic  
4 term. The member shall be removed from probation status upon  
5 achieving [a] the required cumulative grade point average [of two  
6 point five on a four-point scale or the equivalent on another  
7 scale].

8 3. Scholarships shall be offered beginning for any academic  
9 term beginning within twenty-four months following the date of  
10 graduation from high school to Missouri high school graduates who  
11 meet the requirements of subsection 1 of this section. The  
12 scholarship shall be applicable toward payment for tuition and  
13 other fees and the costs of books and other education-related  
14 expenses. The amount of the scholarship, regardless of the  
15 institution attended, shall not exceed the current average cost  
16 of tuition and fees at the campus of the University of Missouri  
17 which has the largest total enrollment, as determined by the  
18 coordinating board, and a book allowance as determined by the  
19 coordinating board, both as of the 2004-2005 academic year.

20 4. The amount of scholarship provided under sections  
21 173.810 to 173.827 shall be based upon financial need as  
22 determined under sections 173.810 to 173.827, shall be subject to  
23 the maximum amount established in subsection 2 of this section  
24 and shall be further reduced by the amount of any nonloan  
25 need-based federal financial aid, all other nonloan need-based  
26 assistance received by or on behalf of the student pursuant to  
27 other provisions of this chapter and any other nonloan need-based  
28 state financial aid which aid or assistance may be used for the

1 purposes established pursuant to subsection 2 of this section for  
2 scholarships granted pursuant to sections 173.810 to 173.827.

3 5. A student who is enrolled or has been accepted for  
4 enrollment as a postsecondary student at an approved private or  
5 public institution [beginning with the fall 1999 term] and who  
6 meets the other eligibility requirements for a scholarship  
7 pursuant to sections 173.810 to 173.827 shall, within the limits  
8 of the funds appropriated and made available, be offered a  
9 scholarship for the first academic year of study as provided in  
10 sections 173.810 to 173.827. Such scholarship shall be renewable  
11 in like amount annually for the second, third, fourth and fifth  
12 academic years, or as long as the recipient is in compliance with  
13 the applicable eligibility requirements set forth in section  
14 173.215, provided such years of study are continuous and the  
15 student continues to meet eligibility requirements for the  
16 scholarship. If a recipient ceases all attendance at an approved  
17 public or private institution for the purpose of providing  
18 service to a nonprofit organization, a state or federal  
19 government agency or any branch of the armed forces of the United  
20 States, the recipient shall be eligible for a renewal scholarship  
21 upon return to any approved public or private institution,  
22 provided the recipient:

- 23 (1) Returns to full-time status within twenty-seven months;  
24 (2) Provides verification, in compliance with rules of the  
25 coordinating board, that the service to the nonprofit  
26 organization was satisfactorily completed and was not compensated  
27 other than for expenses or that the service to the state or  
28 federal governmental agency or branch of the armed forces of the

1 United States was satisfactorily completed; and

2 (3) Meets all other requirements established for  
3 eligibility to receive a renewal scholarship.

4 173.1000. The provisions of sections 173.1000 to 173.1006  
5 shall be known and may be cited as the "Higher Education Student  
6 Funding Act".

7 173.1003. 1. The coordinating board for higher education  
8 shall annually determine the percent increase in the total amount  
9 of tuition and required fees for a typical full-time Missouri  
10 resident undergraduate at each approved public institution, as  
11 such term is defined in section 173.205. If the board  
12 determines, in any academic year beginning with the 2007-2008  
13 academic year, that such increase is greater than the percentage  
14 increase in the general price level as measured by the Consumer  
15 Price Index for All Urban Consumers for the United States, as  
16 defined and officially recorded by the United States Department  
17 of Labor, or its successor agency, from the preceding calendar  
18 year, then such institution shall be subject to the provisions of  
19 this section.

20 2. (1) If the combined appropriations to the Access  
21 Missouri program, as established by section 173.195; Gallagher  
22 program, as established by sections 173.200 to 173.230; and  
23 college guarantee program, as established by sections 173.810 to  
24 173.830; do not total at least sixty-eight million dollars in  
25 fiscal year 2012 or any subsequent fiscal year until fiscal 2017,  
26 the percent of the operating appropriations for public higher  
27 education institutions, including Linn State Technical College  
28 but excluding community colleges, necessary to increase the

1 aforementioned combined appropriation to sixty-eight million  
2 dollars, not to exceed one percent of the institutional operating  
3 core appropriation for the most recent fiscal year, shall be  
4 transferred to, first, the Access Missouri program in an amount  
5 necessary to fully fund such program, as determined by the  
6 department of higher education, and any remainder shall be  
7 divided between the Gallagher and Guarantee programs so that each  
8 program receives the same percentage increase to its existing  
9 core appropriation for the most recent fiscal year, provided that  
10 no such program shall receive more than full funding.

11 (2) If the combined appropriations to the Access Missouri  
12 program, as established by section 173.195; Gallagher program, as  
13 established by sections 173.200 to 173.230; and college guarantee  
14 program, as established by sections 173.810 to 173.830; do not  
15 total at least one hundred twenty million dollars in fiscal year  
16 2017 or any subsequent fiscal year, the percent of the operating  
17 appropriations for public higher education institutions,  
18 including community colleges and Linn State Technical College,  
19 necessary to increase the aforementioned combined appropriation  
20 to one hundred twenty million dollars, not to exceed two percent,  
21 shall be transferred, first, to the Access Missouri program, in  
22 an amount necessary to fully fund such program, as determined by  
23 the department of higher education, and any remainder shall be  
24 divided between the Gallagher and Guarantee programs so that each  
25 program receives the same percentage increase to its existing  
26 core appropriation for the most recent fiscal year, provided that  
27 no such program shall receive more than full funding.

28 173.1006. 1. The following performance measures shall be

1 established by July 1, 2007:

2 (1) Two institutional measures as negotiated by each  
3 institution through the department of higher education; and

4 (2) Three statewide measures as developed by the department  
5 of higher education in consultation with public institutions of  
6 higher education.

7 One such measure may be a sector-specific measure making use of  
8 the 2005 additional Carnegie categories, if deemed appropriate by  
9 the department of higher education.

10 2. The department shall report to the joint committee on  
11 education established in section 160.254, RSMo, on its progress  
12 at least twice a year in developing the statewide measures and  
13 negotiating the institution-specific measures and shall develop a  
14 procedure for reporting the effects of performance measures to  
15 the joint committee on education at an appropriate time for  
16 consideration during the appropriations process.

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