

FIRST REGULAR SESSION

HOUSE BILL NO. 265

103RD GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE SHIELDS.

0758H.011

DANA RADEMAN MILLER, Chief Clerk

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Section A. Sections 173.1102, 173.1103, and 173.1105, RSMo, are repealed and three
2 new sections enacted in lieu thereof, to be known as sections 173.1102, 173.1103, and
3 173.1105, to read as follows:

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

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

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

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

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

11 (c) Meets the standards for accreditation as determined by either the Higher Learning
12 Commission or by other accrediting bodies recognized by the United States Department of
13 Education or by utilizing accreditation standards applicable to nondegree-granting institutions
14 as established by the coordinating board for higher education;

15 (d) Does not discriminate in the hiring of administrators, faculty and staff or in the
16 admission of students on the basis of race, color, religion, sex, or national origin and is in

EXPLANATION — Matter enclosed in bold-faced brackets **[thus]** in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

17 compliance with the Federal Civil Rights Acts of 1964 and 1968 and executive orders issued
18 pursuant thereto. Sex discrimination as used herein shall not apply to admission practices of
19 institutions offering the enrollment limited to one sex;

20 (e) Permits faculty members to select textbooks without influence or pressure by any
21 religious or sectarian source;

22 (3) "Approved public institution", an educational institution located in Missouri
23 which:

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

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

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

29 (d) Meets the standards for accreditation as determined by either the Higher Learning
30 Commission, or if a public community college created under the provisions of sections
31 178.370 to 178.400 meets the standards established by the coordinating board for higher
32 education for such public community colleges, or by other accrediting bodies recognized by
33 the United States Department of Education or by utilizing accreditation standards applicable
34 to the institution as established by the coordinating board for higher education;

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

39 (f) Permits faculty members to select textbooks without influence or pressure by any
40 religious or sectarian source;

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

43 (a) Is recognized as a qualifying institution by gubernatorial executive order, unless
44 such order is rescinded;

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

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

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

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

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

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

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

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

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

60 (6) [~~"Expected family contribution", the amount of money a student and family~~
61 ~~should pay toward the cost of postsecondary education as calculated by the United States~~
62 ~~Department of Education and reported on the student aid report or the institutional student~~
63 ~~information record;~~

64 (~~7~~) "Financial assistance", an amount of money paid by the state of Missouri to a
65 qualified applicant under sections 173.1101 to 173.1107;

66 [~~8~~] (7) "Full-time student", an individual who is enrolled in and is carrying a
67 sufficient number of credit hours or their equivalent at an approved private, public, or virtual
68 institution to secure the degree or certificate toward which he or she is working in no more
69 than the number of semesters or their equivalent normally required by that institution in the
70 program in which the individual is enrolled. This definition shall be construed as the
71 successor to subdivision (7) of section 173.205 for purposes of eligibility requirements of
72 other financial assistance programs that refer to section 173.205;

73 (8) **"Student aid index", the amount of money a student and family should pay**
74 **toward the cost of postsecondary education as calculated by the United States**
75 **Department of Education and reported on the student aid report or the institutional**
76 **student information record.**

77 2. The failure of an approved virtual institution to continuously maintain all of the
78 requirements in paragraphs (a) to (i) of subdivision (4) of subsection 1 of this section shall
79 preclude such institution's students or applicants from being eligible for assistance under
80 sections 173.1104 and 173.1105.

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

9 financial assistance to qualified recipients, and determine the manner and method of payment
10 to the recipient.

11 2. The coordinating board shall determine eligibility for renewed assistance on the
12 basis of annual applications and annual evaluations of [~~expected family contribution~~] **student**
13 **aid index**. In awarding renewal grants, the coordinating board may increase or decrease the
14 amount of financial assistance to an applicant if such action is warranted by a change in the
15 financial condition of the applicant, the applicant's spouse or parents, or the availability of
16 funds for that year. As a condition to consideration for initial or renewed assistance, the
17 coordinating board may require the applicant, the applicant's spouse and parents to execute
18 forms of consent authorizing the director of revenue of Missouri to compare financial
19 information submitted by the applicant with the Missouri individual income tax returns of the
20 applicant, the applicant's spouse and parents for the taxable year immediately preceding the
21 year for which application is made, and to report any discrepancies to the coordinating board.

22 3. There is hereby created in the state treasury the "Access Missouri Financial
23 Assistance Fund". The state treasurer shall be custodian of the fund and may approve
24 disbursements from the fund in accordance with sections 30.170 and 30.180. Upon
25 appropriation, money in the fund shall be used solely to provide financial assistance to
26 qualified applicants as provided by sections 173.1101 to 173.1107. Notwithstanding the
27 provisions of section 33.080 to the contrary, any moneys remaining in the fund at the end of
28 the biennium shall not revert to the credit of the general revenue fund. The state treasurer
29 shall invest moneys in the fund in the same manner as other funds are invested. Any interest
30 and moneys earned on such investments shall be credited to the fund.

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

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

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

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

10 (c) Four thousand six hundred dollars maximum and two thousand dollars minimum
11 for students attending approved private institutions;

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

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

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

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

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

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

29 2. All students with [~~an expected family contribution~~] **a student aid index** of twelve
30 thousand dollars or less shall receive at least the minimum award amount for his or her
31 institution. Maximum award amounts for an eligible student with [~~an expected family~~
32 ~~contribution~~] **a student aid index** above seven thousand dollars shall be reduced by ten
33 percent of the maximum [~~expected family contribution~~] **student aid index** for his or her
34 increment group. Any award amount shall be reduced by the amount of a student's payment
35 from the A+ schools program or any successor program to it. For purposes of this subsection,
36 the term "increment group" shall mean a group organized by [~~expected family contribution~~]
37 **student aid index** in five hundred dollar increments into which all eligible students shall be
38 placed.

39 3. If appropriated funds are insufficient to fund the program as described, the
40 maximum award shall be reduced across all sectors by the percentage of the shortfall. If
41 appropriated funds exceed the amount necessary to fund the program, the additional funds
42 shall be used to increase the number of recipients by **either extending the deadline for filing**
43 **an application or** raising the cutoff for the [~~expected family contribution~~] **student aid index**
44 rather than by increasing the size of the award, **as determined by the department.**

45 4. Every three years, beginning with **the 2025-26** academic year [~~2009-10~~], the award
46 amount may be adjusted to increase no more than the Consumer Price Index for All Urban
47 Consumers (CPI-U), 1982-1984 = 100, not seasonally adjusted, as defined and officially
48 recorded by the United States Department of Labor, or its successor agency, for the previous
49 academic year. The coordinating board shall prepare a report prior to the legislative session
50 for use of the general assembly and the governor in determining budget requests which shall

51 include the amount of funds necessary to maintain full funding of the program based on the
52 baseline established for the program upon the effective date of sections 173.1101 to 173.1107.
53 Any increase in the award amount shall not become effective unless an increase in the amount
54 of money appropriated to the program necessary to cover the increase in award amount is
55 passed by the general assembly.

✓