

SECOND REGULAR SESSION

HOUSE BILL NO. 2123

103RD GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE BLACK.

4305H.02I

JOSEPH ENGLER, Chief Clerk

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Section A. Section 173.250, RSMo, is repealed and two new sections enacted in lieu thereof, to be known as sections 173.250 and 173.1541, to read as follows:

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

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

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

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

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

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

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

(b) Is a Missouri resident who has completed secondary coursework through graduation from high school or the virtual public school established in section 161.670,

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.

18 receipt of a general education development (GED) diploma, completion of a program of study
19 through homeschooling or any other program of academic instruction that satisfies the
20 compulsory attendance requirement under section 167.031; and

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

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

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

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

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

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

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

38 (1) Promulgate reasonable rules and regulations for the exercise of its functions and
39 the effectuation of the purposes of this section, including regulations for granting scholarship
40 deferments;

41 (2) Prescribe the form and the time and method of awarding academic scholarships,
42 and shall supervise the processing thereof; and

43 (3) Select qualified recipients to receive academic scholarships, make such awards of
44 academic scholarships to qualified recipients and determine the manner and method of
45 payment to the recipient.

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

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

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

56 5. **Before the 2027-28 academic year**, eligible students may renew academic
57 scholarships for their second, third, and fourth years of postsecondary education, or as long as
58 the recipient is in compliance with the criteria to be a renewal student.

59 6. If an eligible student is unable to enroll during the first academic year or a renewal
60 student ceases attendance at an approved institution for the purpose of providing service to a
61 nonprofit organization, a state or federal government agency, or any branch of the Armed
62 Forces of the United States, such student shall be offered an academic scholarship upon
63 enrollment in any approved institution after the completion of their service, if the student
64 meets all other requirements for an initial or renewal award and if the following criteria are
65 met:

66 (1) For an eligible student who cannot attend an approved institution as a result of
67 service to a nonprofit organization or the state or federal government, the student returns to
68 full-time status within twenty-seven months and provides verification to the coordinating
69 board for higher education that the service to the nonprofit organization was satisfactorily
70 completed and was not compensated other than for expenses, or that the service to the state or
71 federal government was satisfactorily completed; or

72 (2) For an eligible student who cannot attend an approved institution as a result of
73 military service in the Armed Forces of the United States, the student returns to full-time
74 status within six months after the eligible student first ceases service to the Armed Forces and
75 provides verification to the coordinating board for higher education that the military service
76 was satisfactorily completed.

77 7. A recipient of an academic scholarship awarded under this section may transfer
78 from one approved institution to another without losing eligibility for the academic
79 scholarship.

80 8. If a recipient of an academic scholarship at any time withdraws from an approved
81 institution so that under the rules and regulations of that institution he or she is entitled to a
82 refund of any tuition, fees or other charges, the institution shall pay the portion of the refund
83 attributable to the academic scholarship for that term to the coordinating board for higher
84 education.

85 9. Other provisions of this section to the contrary notwithstanding, if an eligible
86 student has been awarded an initial academic scholarship pursuant to the provisions of this
87 section but is unable to attend an approved institution during the first academic year because
88 of illness, disability, pregnancy or other medical need or if a renewal student ceases all
89 attendance at an approved institution because of illness, disability, pregnancy or other medical

90 need, the recipient shall be eligible for an initial or renewal academic scholarship upon
91 enrollment in or return to any approved institution, provided the recipient:

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

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

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

99 **10. (1) As used in this section, "eligible program of study" has the same meaning**
100 **as in section 173.2553.**

101 **(2) For the 2027-28 academic year and all subsequent academic years, subject to**
102 **appropriation:**

103 **(a) An eligible student shall be offered academic scholarships in an amount**
104 **equal to the actual in-state tuition charged to such eligible student for the first four**
105 **semesters the student is enrolled at the approved institution;**

106 **(b) An eligible student who has completed the student's first two semesters and**
107 **received an academic scholarship under subsections 1 to 9 of this section shall be**
108 **deemed an eligible student under paragraph (a) of this subdivision for the student's**
109 **third and fourth semesters; and**

110 **(c) A renewal student who is enrolled in an eligible program of study may renew**
111 **academic scholarships for up to six semesters in an amount equal to the actual in-state**
112 **tuition charged to such eligible student as long as the recipient is in compliance with the**
113 **criteria to be a renewal student.**

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

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

5 **(1) Develop a funding model for public institutions of higher education that:**

6 **(a) Aligns funding for higher education to develop educated persons to meet the**
7 **professional and workforce needs for the state of Missouri;**

8 **(b) Provides a level of stable, sustainable resources that allow public institutions**
9 **of higher education in this state to serve students well and fulfill such institutions'**
10 **missions;**

11 **(c) Is based on the 2023 study commissioned by the Missouri department of**
12 **higher education and workforce development and is developed in cooperation with**
13 **public institutions of higher education in this state and the Missouri department of**

14 higher education and workforce development using data, mechanics, and calculations
15 that are as simple and easy to understand as practicable;

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

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

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

24 (2) Establish a plan for testing and implementing the funding model described in
25 this section, which plan, after having been reviewed and consented to by two members
26 of the Missouri house of representatives appointed by the speaker of the house of
27 representatives and two members of the Missouri senate appointed by the president pro
28 tempore of the senate, shall be approved by the coordinating board for higher education
29 and submitted to the governor and the general assembly before August 31, 2026;

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

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

35 3. Such funding model shall not become effective unless approved by the general
36 assembly by concurrent resolution.

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

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