

SECOND REGULAR SESSION  
HOUSE COMMITTEE SUBSTITUTE FOR  
**HOUSE BILL NO. 1308**  
**97TH GENERAL ASSEMBLY**

4464L.03C

D. ADAM CRUMBLISS, Chief Clerk

---

---

**AN ACT**

To repeal section 173.250, RSMo, and to enact in lieu thereof one new section relating to the higher education academic scholarship program.

---

---

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

Section A. Section 173.250, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 173.250, to read as follows: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 **academic** scholarships **and forgivable loans** 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) "**Cost of attendance**", **the estimated full and reasonable cost of completing a full academic year as a full-time student;**

(5) "**Eligible borrower**", **an individual who meets the criteria set forth in subdivision (6) of this subsection, attains a score in the top three percent under subdivision (1) of subsection 4 of this section, and elects to receive a forgivable loan or loans under the provisions of this section;**

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

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

22           (b) Is a Missouri resident who has completed secondary coursework through graduation  
23 from high school or the virtual public school established in section 161.670, receipt of a general  
24 education development (GED) diploma, completion of a program of study through  
25 homeschooling or any other program of academic instruction that satisfies the compulsory  
26 attendance requirement under section 167.031; and

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

30           **(d) For an applicant who graduates from high school during the 2016-17 academic**  
31 **year or after:**

32           **a. Has achieved a score of proficient or advanced on the official Algebra I end-of-**  
33 **course assessment, or the equivalent level on a successor assessment or a higher level**  
34 **department of elementary and secondary education approved end-of-course assessment in**  
35 **the field of mathematics, unless the student's high school has met all of the department of**  
36 **elementary and secondary education's requirements for waiver of the Algebra I end-of-**  
37 **course assessment for the recipient; or**

38           **b. Has achieved a qualifying score, as established annually by the coordinating**  
39 **board for higher education, on an identified math component of the COMPASS exam**  
40 **published by ACT or the mathematics component of the ACT test as a high school or**  
41 **postsecondary student; or**

42           **c. For a student with an individualized education program or a plan prepared**  
43 **under section 504 of the Rehabilitation Act of 1973, has demonstrated proficiency in the**  
44 **area of mathematics through the completion of criteria as established by the coordinating**  
45 **board for higher education through rule and regulation; and**

46           **d. Has achieved a score of proficient or advanced on the official English I**  
47 **end-of-course assessment, or the equivalent level on a successor assessment or a higher**  
48 **level department of elementary and secondary education-approved end-of-course**  
49 **assessment in the field of English, unless the student's high school has met all of the**  
50 **department of elementary and secondary education's requirements for waiver of the**  
51 **English I end-of-course assessment for the recipient; or**

52           **e. Has achieved a qualifying score, as established annually by the coordinating**  
53 **board for higher education, on an identified English component of the COMPASS exam**

54 **published by ACT or the English component of the ACT test as a high school or**  
55 **postsecondary student; or**

56 **f. For a student with an individualized education program or a plan prepared**  
57 **under section 504 of the Rehabilitation Act of 1973, has demonstrated proficiency in the**  
58 **area of English through the completion of criteria as established by the coordinating board**  
59 **for higher education through rule and regulation;**

60 **(7) "Employed in the state of Missouri", employed full-time at a workplace located**  
61 **within the state of Missouri and required to make returns of income in accordance with**  
62 **section 143.481, or self-employed, with at least fifty percent of an individual's annual**  
63 **income coming from self-employment, while a Missouri resident;**

64 **(8) "Fund", the higher education academic scholarship trust fund established**  
65 **under subsection 16 of this section;**

66 **[(5)] (9) "Missouri test-takers", all Missouri high school seniors who take the ACT or**  
67 **the SAT;**

68 **[(6)] (10) "Qualifying score", a composite score on the ACT or the SAT achieved in an**  
69 **eligible student's high school sophomore, junior, or senior year that is in the top five percent of**  
70 **Missouri test-takers, as established at the beginning of an eligible student's final year of**  
71 **secondary coursework;**

72 **[(7)] (11) "Recipient", an eligible or renewal student who receives an academic**  
73 **scholarship or forgivable loan pursuant to this section;**

74 **[(8)] (12) "Renewal student", an eligible student who remains in compliance with the**  
75 **provisions of section 173.1104, maintains continuous enrollment by successfully completing**  
76 **at least twenty-four semester credit hours during the twelve months following his or her**  
77 **initial enrollment and thirty semester credit hours during each subsequent twelve-month**  
78 **period, and makes satisfactory academic degree progress; and**

79 **[(9)] (13) "SAT", the Scholastic Aptitude Test.**

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

82 **(1) Promulgate reasonable rules and regulations for the exercise of its functions and the**  
83 **effectuation of the purposes of this section, including regulations for granting scholarship**  
84 **deferments and forgivable loans;**

85 **(2) Prescribe the form and the time and method of awarding academic scholarships and**  
86 **forgivable loans, and shall supervise the processing thereof; [and]**

87 **(3) Select qualified recipients to receive academic scholarships[,] ; and**

88 **(4) Make [such] awards of academic scholarships and forgivable loans to qualified**  
89 **recipients and determine the manner and method of payment to the recipient.**

90 4. Eligible students shall be offered academic scholarships in the following amounts and  
91 in the following order of priority, within the limits of the funds appropriated and made available:

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

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

99 5. Eligible students may renew academic scholarships for their second, third, and fourth  
100 years of postsecondary education, or as long as the recipient is in compliance with the criteria  
101 to be a renewal student.

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

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

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

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

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

126           9. Other provisions of this section to the contrary notwithstanding, if an eligible student  
127 has been awarded an initial academic scholarship pursuant to the provisions of this section but  
128 is unable to attend an approved institution during the first academic year because of illness,  
129 disability, pregnancy or other medical need or if a renewal student ceases all attendance at an  
130 approved institution because of illness, disability, pregnancy or other medical need, the recipient  
131 shall be eligible for an initial or renewal academic scholarship upon enrollment in or return to  
132 any approved institution, provided the recipient:

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

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

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

140           **10. If an eligible student is unable to successfully complete at least twenty-four**  
141 **semester credit hours in a twelve-month period due to serious and unusual personal**  
142 **circumstances, such student may seek a waiver of the attendance requirements of this**  
143 **section by appealing to the person or committee the institution the student attends has**  
144 **designated to consider appeals from students who are not in compliance with federal**  
145 **requirements regarding satisfactory academic progress.**

146           **11. In addition to the academic scholarship, an eligible or renewal student may elect**  
147 **to receive forgivable loans for up to ten semesters, or their equivalent, and may elect to**  
148 **receive a loan of up to five thousand dollars per academic year, payable in no less than two**  
149 **equal payments, from the board, not to exceed a maximum of twenty thousand dollars.**  
150 **The loan amount when combined with all other aid received by the student may not exceed**  
151 **the cost of attendance for the institution in which the eligible borrower is enrolled.**

152           **12. Eligible borrowers who are in compliance with program requirements, as**  
153 **established by the coordinating board, may qualify for forgiveness of a loan or loans**  
154 **received through the program by agreeing to be employed in the state of Missouri with**  
155 **such employment beginning within one calendar year of the cessation of full-time**  
156 **postsecondary attendance, including graduate and professional education programs, and**  
157 **fulfilling the terms outlined in the contract as provided in subsection 14 of this section.**

158           **13. The coordinating board shall approve loan forgiveness on a year-by-year basis.**  
159 **Each twelve months of qualifying employment authorizes the forgiveness of the loan or**  
160 **loans received within one academic year. Eligible borrowers that cease to be employed in**  
161 **the state of Missouri and students that elect not to comply with these employment**

162 requirements, or that fail to meet these requirements, shall be required to repay with  
163 interest any or all outstanding loan balances under the contractual provisions described  
164 in subsection 14 of this section.

165       **14. The coordinating board shall annually enter into a contract with each**  
166 **individual electing to participate in the forgivable loan program at the time at which the**  
167 **individual makes that election. The written contract shall contain, but not be limited to,**  
168 **the following:**

169           **(1) The terms and conditions under which the loan is made and the requirements**  
170 **for repayment of the loan by the student;**

171           **(2) A stipulation that no interest shall be assessed on any forgivable loan provided**  
172 **through the program while the student is enrolled full time, or enrolled part time with the**  
173 **approval of the board, including enrollment in graduate or professional school, and meets**  
174 **the eligibility requirements established in this section;**

175           **(3) The terms and conditions for qualifying for forgiveness of loan proceeds**  
176 **received through the program;**

177           **(4) A provision that any financial obligations arising out of a contract entered into,**  
178 **and any obligations of the individual which are conditioned thereon, are contingent upon**  
179 **funds being appropriated to the higher education academic scholarship trust fund**  
180 **established under subsection 16 of this section; and**

181           **(5) The amount of any penalties assessed, in the event repayment of the loan by the**  
182 **student is not made in accordance with the contract, or the student fails to maintain**  
183 **eligibility or other requirements of the program. All such penalties shall be deposited in**  
184 **the higher education academic scholarship trust fund.**

185       **15. The coordinating board shall have the power to defer interest and principal**  
186 **payments under certain circumstances, which shall include, but not be limited to, service**  
187 **in any branch of the Armed Forces of the United States.**

188       **16. The "Higher Education Academic Scholarship Trust Fund" is hereby created**  
189 **in the state treasury, to be used by the coordinating board for higher education to provide**  
190 **loans to students under this section. All appropriations, private donations, and other funds**  
191 **provided to the board for this program shall be credited to the fund. All funds generated**  
192 **by loan repayments and any penalties received under this section, shall also be credited to**  
193 **the fund. Notwithstanding the provisions of section 33.080 to the contrary, any**  
194 **unexpended balance in the fund shall not revert to the general revenue fund.**

195       **17. The coordinating board for higher education may promulgate all necessary**  
196 **rules and regulations for the administration of this section. Any rule or portion of a rule,**  
197 **as that term is defined in section 536.010, that is created under the authority delegated in**

198 **this section shall become effective only if it complies with and is subject to all of the**  
199 **provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536**  
200 **are nonseverable and if any of the powers vested with the general assembly pursuant to**  
201 **chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are**  
202 **subsequently held unconstitutional, then the grant of rulemaking authority and any rule**  
203 **proposed or adopted after August 28, 2014, shall be invalid and void.**

✓