

FIRST REGULAR SESSION
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 272
98TH GENERAL ASSEMBLY

0389L.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Section A. Section 173.250, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 173.250, to read as follows: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) "**Continuous enrollment**", **successful completion of at least twenty-four semester credit hours by the conclusion of the twelve months following a renewal student's initial enrollment and thirty additional semester credit hours at the conclusion of each subsequent twelve-month period. Credit for work completed prior to completion of secondary coursework including, but not limited to, dual credit or dual enrollment, may be counted in the continuous enrollment calculation as determined by the department of higher education;**

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.

19 **(5) "Cost of attendance", the estimated full and reasonable cost of completing a full**
20 **academic year as a full-time student;**

21 **(6) "Eligible borrower", an eligible student beginning in academic year 2015-16**
22 **who completed secondary coursework in the 2014-15 school year or subsequent year and**
23 **elects to receive a forgivable loan or loans under the provisions of this section;**

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

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

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

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

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

38 **a. Has achieved a score of proficient or advanced on the official Algebra I end-of-**
39 **course assessment, or the equivalent level on a successor assessment or a higher level**
40 **department of elementary and secondary education approved end-of-course assessment in**
41 **the field of mathematics, unless the student's high school has met all of the department of**
42 **elementary and secondary education's requirements for waiver of the Algebra I end-of-**
43 **course assessment for the recipient; or**

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

48 **c. For a student with an individualized education program or a plan prepared**
49 **under section 504 of the Rehabilitation Act of 1973, has demonstrated proficiency in the**
50 **area of mathematics through the completion of criteria as established by the coordinating**
51 **board for higher education through rules and regulations; and**

52 **d. Has achieved a score of proficient or advanced on the official English I**
53 **end-of-course assessment, or the equivalent level on a successor assessment or a higher**
54 **level department of elementary and secondary education-approved end-of-course**

55 **assessment in the field of English, unless the student's high school has met all of the**
56 **department of elementary and secondary education's requirements for waiver of the**
57 **English I end-of-course assessment for the recipient; or**

58 **e. Has achieved a qualifying score, as established annually by the coordinating**
59 **board for higher education, on an identified English component of the COMPASS exam**
60 **published by ACT or the English component of the ACT test as a high school or**
61 **postsecondary student; or**

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

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

70 **(9) "Fund", the higher education academic scholarship trust fund established**
71 **under subsection 16 of this section;**

72 **[(5)] (10) "Missouri test-takers", all Missouri high school seniors who take the ACT or**
73 **the SAT;**

74 **[(6)] (11) "Qualifying score", a composite score on the ACT or the SAT achieved in an**
75 **eligible student's high school sophomore, junior, or senior year that is in the top five percent of**
76 **Missouri test-takers, as established at the beginning of an eligible student's final year of**
77 **secondary coursework;**

78 **[(7)] (12) "Recipient", an eligible or renewal student who receives an academic**
79 **scholarship or forgivable loan pursuant to this section;**

80 **[(8)] (13) "Renewal student", an eligible student who remains in compliance with the**
81 **provisions of section 173.1104, receives a scholarship payment during each academic year,**
82 **maintains continuous enrollment, and makes satisfactory academic degree progress; and**

83 **[(9)] (14) "SAT", the Scholastic Aptitude Test.**

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

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

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

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

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

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

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

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

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

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

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

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

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

125 8. If a recipient of an academic scholarship at any time withdraws from an approved
126 institution so that under the rules and regulations of that institution he or she is entitled to a

127 refund of any tuition, fees or other charges, the institution shall pay the portion of the refund
128 attributable to the academic scholarship for that term to the coordinating board for higher
129 education.

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

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

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

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

144 **10. If an eligible student is unable to maintain continuous enrollment as required**
145 **by subdivision (4) of subsection 2 of this section due to serious and unusual personal**
146 **circumstances, the student may seek a waiver of the attendance requirements of this section**
147 **by appealing to the person or committee which the institution the student attends has**
148 **designated to consider appeals from students who are not in compliance with federal**
149 **requirements regarding satisfactory academic progress.**

150 **11. In addition to the academic scholarship, an eligible student or renewal student**
151 **may elect to receive forgivable loans from the coordinating board for up to ten semesters,**
152 **or the equivalent. An eligible student or renewable student enrolled at a public four-year**
153 **college or university, the State Technical College of Missouri, or an approved private**
154 **institution may elect to receive a loan of up to five thousand dollars per academic year. An**
155 **eligible student or renewal student enrolled at a public community college may elect to**
156 **receive a loan of up to two thousand dollars per academic year. Each loan shall be payable**
157 **in no less than two payments, with each payment not to exceed one-half of the academic**
158 **year maximum. Under no circumstances shall an eligible student or renewal student**
159 **receive more than twenty thousand dollars in forgivable loans in total. The loan amount**
160 **when combined with all other aid received by the student shall not exceed the cost of**
161 **attendance for the institution in which the eligible borrower is enrolled.**

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

168 **13. The coordinating board shall approve loan forgiveness on a year-by-year basis.**
169 **Each twelve months of qualifying employment authorizes the forgiveness of the loan or**
170 **loans received within one academic year. Eligible borrowers that cease to be employed in**
171 **the state of Missouri and students that elect not to comply with these employment**
172 **requirements or that fail to meet these requirements shall be required to repay with**
173 **interest any or all outstanding loan balances under the contract described in subsection 14**
174 **of this section.**

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

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

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

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

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

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

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

198 **16. The "Higher Education Academic Scholarship Trust Fund" is hereby created**
199 **in the state treasury, to be used by the coordinating board for higher education to provide**
200 **loans to students under this section. All appropriations, private donations, and other funds**
201 **provided to the board for this program shall be credited to the fund. All funds generated**
202 **by loan repayments and any penalties received under this section shall also be credited to**
203 **the fund less the department's cost to contract for the administration of the loan**
204 **forgiveness program, not to exceed two percent of the total loan volume of the program.**
205 **Notwithstanding the provisions of section 33.080 to the contrary, any unexpended balance**
206 **in the fund shall not revert to the general revenue fund.**

207 **17. The coordinating board for higher education may promulgate all necessary**
208 **rules and regulations for the administration of this section. Any rule or portion of a rule,**
209 **as that term is defined in section 536.010, that is created under the authority delegated in**
210 **this section shall become effective only if it complies with and is subject to all of the**
211 **provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536**
212 **are nonseverable, and if any of the powers vested with the general assembly under chapter**
213 **536 to review, to delay the effective date, or to disapprove and annul a rule are**
214 **subsequently held unconstitutional, then the grant of rulemaking authority and any rule**
215 **proposed or adopted after August 28, 2015, shall be invalid and void.**

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