

FIRST REGULAR SESSION
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 1254
98TH GENERAL ASSEMBLY

2627H.02C

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal sections 173.1101, 173.1102, 173.1104, 173.1105, and 173.1107, RSMo, and to enact in lieu thereof five new sections relating to virtual education.

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

Section A. Sections 173.1101, 173.1102, 173.1104, 173.1105, and 173.1107, RSMo, are
2 repealed and five new sections enacted in lieu thereof, to be known as sections 173.1101,
3 173.1102, 173.1104, 173.1105, and 173.1107, to read as follows:

173.1101. The financial assistance program established under sections 173.1101 to
2 173.1107 shall be hereafter known as the "Access Missouri Financial Assistance Program". The
3 coordinating board and all approved private, [and] public, **and virtual** institutions in this state
4 shall refer to the financial assistance program established under sections 173.1101 to 173.1107
5 as the access Missouri student financial assistance program in their scholarship literature,
6 provided that no institution shall be required to revise or amend any such literature to comply
7 with this section prior to the date such literature would otherwise be revised, amended, reprinted
8 or replaced in the ordinary course of such institution's business.

173.1102. 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 the
4 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;

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.

9 (b) Provides a postsecondary course of instruction at least six months in length leading
10 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
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 which:

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

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

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

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

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

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

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

42 (a) **Is recognized as a qualifying institution by gubernatorial executive order issued**
43 **prior to August 28, 2015, and through a memorandum of understanding between the state**
44 **of Missouri and the approved virtual institution;**

- 45 **(b) Is organized as a nonprofit institution;**
46 **(c) Is accredited by a regional accrediting agency recognized by the United States**
47 **Department of Education;**
48 **(d) Has established and continuously maintains a physical campus or location of**
49 **operation within the state of Missouri;**
50 **(e) Maintains at least twenty-five full-time Missouri employees, at least one-half of**
51 **which shall be faculty or administrators engaged in Missouri operations;**
52 **(f) Enrolls at least one thousand Missouri residents as degree or certificate seeking**
53 **students; and**
54 **(g) Maintains a governing body or advisory board based in Missouri with oversight**
55 **of Missouri operations.**

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

57 **[(5)] (6) "Expected family contribution",** the amount of money a student and family
58 should pay toward the cost of postsecondary education as calculated by the United States
59 Department of Education and reported on the student aid report or the institutional student
60 information record;

61 **[(6)] (7) "Financial assistance",** an amount of money paid by the state of Missouri to a
62 qualified applicant under sections 173.1101 to 173.1107;

63 **[(7)] (8) "Full-time student",** an individual who is enrolled in and is carrying a sufficient
64 number of credit hours or their equivalent at an approved private, [or] public, **or virtual**
65 institution to secure the degree or certificate toward which he or she is working in no more than
66 the number of semesters or their equivalent normally required by that institution in the program
67 in which the individual is enrolled. This definition shall be construed as the successor to
68 subdivision (7) of section 173.205 for purposes of eligibility requirements of other financial
69 assistance programs that refer to section 173.205.

 173.1104. 1. An applicant shall be eligible for initial or renewed financial assistance
2 only if, at the time of application and throughout the period during which the applicant is
3 receiving such assistance, the applicant:

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

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

7 (3) Is enrolled, or has been accepted for enrollment, as a full-time undergraduate student
8 in an approved private, [or] public, **or virtual** institution; and

9 (4) Is not enrolled or does not intend to use the award to enroll in a course of study
10 leading to a degree in theology or divinity.

11 2. If an applicant is found guilty of or pleads guilty to any criminal offense during the
12 period of time in which the applicant is receiving financial assistance, such applicant shall not
13 be eligible for renewal of such assistance, provided such offense would disqualify the applicant
14 from receiving federal student aid under Title IV of the Higher Education Act of 1965, as
15 amended.

16 3. Financial assistance shall be allotted for one academic year, but a recipient shall be
17 eligible for renewed assistance until he or she has obtained a baccalaureate degree, provided such
18 financial assistance shall not exceed a total of ten semesters or fifteen quarters or their
19 equivalent. Standards of eligibility for renewed assistance shall be the same as for an initial
20 award of financial assistance, except that for renewal, an applicant shall demonstrate a
21 grade-point average of two and five-tenths on a four-point scale, or the equivalent on another
22 scale. This subsection shall be construed as the successor to section 173.215 for purposes of
23 eligibility requirements of other financial assistance programs that refer to section 173.215.

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

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

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

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

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

13 (2) For the 2014-15 academic year and subsequent years:

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

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

20 2. All students with an expected family contribution of twelve thousand dollars or less
21 shall receive at least the minimum award amount for his or her institution. Maximum award
22 amounts for an eligible student with an expected family contribution above seven thousand
23 dollars shall be reduced by ten percent of the maximum expected family contribution for his or

24 her increment group. Any award amount shall be reduced by the amount of a student's payment
25 from the A+ schools program or any successor program to it. For purposes of this subsection,
26 the term "increment group" shall mean a group organized by expected family contribution in five
27 hundred dollar increments into which all eligible students shall be placed.

28 3. If appropriated funds are insufficient to fund the program as described, the maximum
29 award shall be reduced across all sectors by the percentage of the shortfall. If appropriated funds
30 exceed the amount necessary to fund the program, the additional funds shall be used to increase
31 the number of recipients by raising the cutoff for the expected family contribution rather than by
32 increasing the size of the award.

33 4. Every three years, beginning with academic year 2009-10, the award amount may be
34 adjusted to increase no more than the Consumer Price Index for All Urban Consumers (CPI-U),
35 1982-1984 = 100, not seasonally adjusted, as defined and officially recorded by the United States
36 Department of Labor, or its successor agency, for the previous academic year. The coordinating
37 board shall prepare a report prior to the legislative session for use of the general assembly and
38 the governor in determining budget requests which shall include the amount of funds necessary
39 to maintain full funding of the program based on the baseline established for the program upon
40 the effective date of sections 173.1101 to 173.1107. Any increase in the award amount shall not
41 become effective unless an increase in the amount of money appropriated to the program
42 necessary to cover the increase in award amount is passed by the general assembly.

173.1107. A recipient of financial assistance may transfer from one approved public [or],
2 private, **or virtual** institution to another without losing eligibility for assistance under sections
3 173.1101 to 173.1107, but the coordinating board shall make any necessary adjustments in the
4 amount of the award. If a recipient of financial assistance at any time is entitled to a refund of
5 any tuition, fees, or other charges under the rules and regulations of the institution in which he
6 or she is enrolled, the institution shall pay the portion of the refund which may be attributed to
7 the state grant to the coordinating board. The coordinating board will use these refunds to make
8 additional awards under the provisions of sections 173.1101 to 173.1107.

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