

FIRST REGULAR SESSION  
SENATE COMMITTEE SUBSTITUTE FOR  
**SENATE BILL NO. 188**  
**99TH GENERAL ASSEMBLY**

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Reported from the Committee on Education, February 16, 2017, with recommendation that the Senate Committee Substitute do pass.

0754S.02C

ADRIANE D. CROUSE, Secretary.

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**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.

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*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Section A. Sections 173.1101, 173.1102, 173.1104, 173.1105, and 173.1107, RSMo, are repealed and five new sections enacted in lieu thereof, to be known as sections 173.1101, 173.1102, 173.1104, 173.1105, and 173.1107, to read as follows: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 173.1107 shall be hereafter known as the "Access Missouri Financial Assistance Program". The coordinating board and all approved private, [and] public, **and virtual** institutions in this state shall refer to the financial assistance program established under sections 173.1101 to 173.1107 as the access Missouri student financial assistance program in their scholarship literature, provided that no institution shall be required to revise or amend any such literature to comply with this section prior to the date such literature would otherwise be revised, amended, reprinted or replaced in the ordinary course of such institution's business.

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

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

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

(a) Is operated privately under the control of an independent board and

**EXPLANATION—Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.**

8 not directly controlled or administered by any public agency or political  
9 subdivision;

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

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

17 (d) Does not discriminate in the hiring of administrators, faculty and staff  
18 or in the admission of students on the basis of race, color, religion, sex, or  
19 national origin and is in compliance with the Federal Civil Rights Acts of 1964  
20 and 1968 and executive orders issued pursuant thereto. Sex discrimination as  
21 used herein shall not apply to admission practices of institutions offering the  
22 enrollment limited to one sex;

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

25 (3) "Approved public institution", an educational institution located in  
26 Missouri which:

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

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

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

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

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

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

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

48 (a) **Is recognized as a qualifying institution by gubernatorial**  
49 **executive order, unless such order is rescinded;**

50 (b) **Is recognized as a qualifying institution through a**  
51 **memorandum of understanding between the state of Missouri and the**  
52 **approved virtual institution;**

53 (c) **Is accredited by a regional accrediting agency recognized by**  
54 **the United States Department of Education;**

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

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

60 (f) **Enrolls at least one thousand Missouri residents as degree or**  
61 **certificate seeking students;**

62 (g) **Maintains a governing body or advisory board based in**  
63 **Missouri with oversight of Missouri operations;**

64 (h) **Is organized as a nonprofit institution; and**

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

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

67 [(5)] (6) **"Expected family contribution", the amount of money a student**  
68 **and family should pay toward the cost of postsecondary education as calculated**  
69 **by the United States Department of Education and reported on the student aid**  
70 **report or the institutional student information record;**

71 [(6)] (7) **"Financial assistance", an amount of money paid by the state of**  
72 **Missouri to a qualified applicant under sections 173.1101 to 173.1107;**

73 [(7)] (8) **"Full-time student", an individual who is enrolled in and is**  
74 **carrying a sufficient number of credit hours or their equivalent at an approved**  
75 **private, [or] public, or virtual institution to secure the degree or certificate**  
76 **toward which he or she is working in no more than the number of semesters or**  
77 **their equivalent normally required by that institution in the program in which**  
78 **the individual is enrolled. This definition shall be construed as the successor to**  
79 **subdivision (7) of section 173.205 for purposes of eligibility requirements of other**

80 financial assistance programs that refer to section 173.205.

81           **2. The failure of an approved virtual institution to continuously**  
82 **maintain all of the requirements in paragraphs (a) to (i) of subdivision**  
83 **(4) of subsection 1 of this section shall preclude such institution's**  
84 **students or applicants from being eligible for assistance under sections**  
85 **173.1104 and 173.1105.**

          173.1104. 1. An applicant shall be eligible for initial or renewed financial  
2 assistance only if, at the time of application and throughout the period during  
3 which the applicant is 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  
6 standards promulgated by the coordinating board;

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

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

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

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

          173.1105. 1. An applicant who is an undergraduate postsecondary  
2 student at an approved private, [or] public, **or virtual** institution and who meets  
3 the other eligibility criteria shall be eligible for financial assistance, with a  
4 minimum and maximum award amount as 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
- 7 for students attending institutions classified as part of the public two-year sector;
- 8 (b) Two thousand one hundred fifty dollars maximum and one thousand
- 9 dollars minimum for students attending institutions classified as part of the
- 10 public four-year sector, including State Technical College of Missouri; and
- 11 (c) Four thousand six hundred dollars maximum and two thousand dollars
- 12 minimum for 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
- 15 dollars minimum for students attending institutions classified as part of the
- 16 public two-year sector; and
- 17 (b) Two thousand eight hundred fifty dollars maximum and one thousand
- 18 five hundred dollars minimum for students attending institutions classified as
- 19 part of the public four-year sector, including State Technical College of Missouri[,
- 20 or;], approved private institutions, **or approved virtual institutions.**
- 21 2. All students with an expected family contribution of twelve thousand
- 22 dollars or less shall receive at least the minimum award amount for his or her
- 23 institution. Maximum award amounts for an eligible student with an expected
- 24 family contribution above seven thousand dollars shall be reduced by ten percent
- 25 of the maximum expected family contribution for his or her increment group. Any
- 26 award amount shall be reduced by the amount of a student's payment from the
- 27 A+ schools program or any successor program to it. For purposes of this
- 28 subsection, the term "increment group" shall mean a group organized by expected
- 29 family contribution in five hundred dollar increments into which all eligible
- 30 students shall be placed.
- 31 3. If appropriated funds are insufficient to fund the program as described,
- 32 the maximum award shall be reduced across all sectors by the percentage of the
- 33 shortfall. If appropriated funds exceed the amount necessary to fund the
- 34 program, the additional funds shall be used to increase the number of recipients
- 35 by raising the cutoff for the expected family contribution rather than by
- 36 increasing the size of the award.
- 37 4. Every three years, beginning with academic year 2009-10, the award
- 38 amount may be adjusted to increase no more than the Consumer Price Index for
- 39 All Urban Consumers (CPI-U), 1982-1984 = 100, not seasonally adjusted, as
- 40 defined and officially recorded by the United States Department of Labor, or its

41 successor agency, for the previous academic year. The coordinating board shall  
42 prepare a report prior to the legislative session for use of the general assembly  
43 and the governor in determining budget requests which shall include the amount  
44 of funds necessary to maintain full funding of the program based on the baseline  
45 established for the program upon the effective date of sections 173.1101 to  
46 173.1107. Any increase in the award amount shall not become effective unless  
47 an increase in the amount of money appropriated to the program necessary to  
48 cover the increase in award amount is passed by the general assembly.

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

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