

SECOND REGULAR SESSION

HOUSE BILL NO. 2408

99TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE FITZPATRICK.

4417H.021

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal section 173.250, RSMo, and to enact in lieu thereof three new sections relating to the bright flight promise program.

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

Section A. Section 173.250, RSMo, is repealed and three new sections enacted in lieu thereof, to be known as sections 173.250, 173.1575, and 173.1577, to read as follows: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, receipt of a general

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

21 (c) Is enrolled full time or accepted for full-time enrollment as a postsecondary student
22 at an approved institution during the academic year immediately following the completion of his
23 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 eligible
27 student's high school sophomore, junior, or senior year that is in the top five percent of Missouri
28 test-takers, as established at the beginning of an eligible student's final year of secondary
29 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 the
37 implementation of the program established by this section, and shall:

38 (1) Promulgate reasonable rules and regulations for the exercise of its functions and the
39 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, and
42 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 payment
45 to the recipient.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

96 **10. After July 1, 2019, higher education academic scholarships shall no longer be**
97 **awarded to first-time students under this section; instead, students entering college for the**
98 **first time after July 1, 2019, may apply to receive an academic grant under the bright flight**
99 **promise program established under section 173.1575. Students who were awarded a**
100 **higher education academic scholarship prior to July 1, 2019, may continue to receive the**
101 **scholarship and may continue to renew such scholarship, provided such students continue**
102 **to meet the eligibility and renewal requirements established under this section.**

103 **11. Notwithstanding any other provision of law, the provisions of this section shall**
104 **expire on August 28, 2024.**

173.1575. 1. There is hereby established the "Bright Flight Promise Program", and
2 **any moneys appropriated by the general assembly for this program shall be used to**
3 **provide academic grants for Missouri residents to attend an approved Missouri college or**
4 **university of their choice pursuant to the provisions of this section.**

5 **2. The definitions of terms set forth in section 173.1102 shall be applicable to such**
6 **terms as used in this section. Additionally, as used in this section, the following terms**
7 **mean:**

8 (1) "Academic grant", an amount of moneys paid by the state of Missouri to a
9 student under the provisions of this section;

10 (2) "Approved institution", an approved public or approved private institution, as
11 defined in section 173.1102, that has not reduced institutional aid on a per-student basis
12 to qualifying students by more than one percent from the previous school year, by more
13 than three percent over a five-year period beginning with school year 2018, or by more
14 than five percent over a ten-year period beginning with school year 2018;

15 (3) "Board", the coordinating board for higher education;

16 (4) "Eligible student", an individual who meets the criteria set forth in section
17 173.1104, excluding the requirements of financial need and undergraduate status, and who
18 meets the following requirements:

- 19 **(a) Has achieved a qualifying score on the ACT or SAT exam;**
- 20 **(b) Is a Missouri resident who has completed secondary coursework through**
21 **receipt of a high school diploma or the equivalent or a program of study through home**
22 **schooling; and**
- 23 **(c) Is enrolled full time or accepted for full-time enrollment as a postsecondary**
24 **student at an approved institution during the academic year immediately following the**
25 **completion of his or her secondary coursework;**
- 26 **(5) "Gift aid", scholarship and grant funds from any source that can be applied to**
27 **tuition and fees and that do not require repayment, including funds provided through the**
28 **federal Foster Care Independence Act of 1999, compiled generally in Title 42 U.S.C., and**
29 **other similar programs. Student loans and work-study awards shall not be considered gift**
30 **aid;**
- 31 **(6) "Missouri test-takers", all Missouri high school seniors who take the ACT or**
32 **SAT exam;**
- 33 **(7) "Qualifying employment", Missouri adjusted gross income reported to the**
34 **department of revenue in the amount of at least ten thousand dollars;**
- 35 **(8) "Qualifying score", a composite score on the ACT or the SAT exam achieved**
36 **in an eligible student's high school sophomore, junior, or senior year that is in the top five**
37 **percent of Missouri test-takers, as established at the beginning of an eligible student's final**
38 **year of secondary coursework;**
- 39 **(9) "Recipient", an eligible student or renewal student who receives an academic**
40 **grant under the provisions of this section;**
- 41 **(10) "Renewal student", an eligible student who remains in compliance with the**
42 **provisions of section 173.1104; has received a grant as an initial recipient; maintains**
43 **continuous enrollment;**
44 **maintains a cumulative grade point average of at least two and one-half on a four-point**
45 **scale or the equivalent; makes satisfactory academic degree progress as defined by the**
46 **institution, with the exception of grade point average; and has not received a bachelor's**
47 **degree.**
- 48 **3. The coordinating board for higher education shall be the administrative agency**
49 **for the implementation of the bright flight promise program, and shall:**
- 50 **(1) Promulgate reasonable rules and regulations for the exercise of its functions and**
51 **the effectuation of the purposes of this section, including regulations for awarding grant**
52 **deferments;**
- 53 **(2) Prescribe the form and the time and method of awarding academic grants, and**
54 **shall supervise the processing thereof; and**

55 **(3) Select qualified recipients to receive academic grants and determine the manner**
56 **and method of payment to the recipient.**

57 **4. Notwithstanding any other provision of law, a student's eligibility for an**
58 **academic grant under this section shall have no effect on his or her eligibility for**
59 **institutional financial aid nor shall an approved institution reduce such student's**
60 **institutional financial aid based on his or her receipt of an academic grant under this**
61 **section.**

62 **5. Subject to appropriation, the amount of academic grant moneys awarded to an**
63 **eligible student under this section shall not exceed the lesser of:**

64 **(1) The actual cost of tuition and mandatory fees charged to the student at the**
65 **approved institution in which the student is enrolled; or**

66 **(2) The cost of tuition and mandatory fees charged to a Missouri resident at the**
67 **approved public institution with the greatest combined tuition and mandatory fee cost in**
68 **the state at the time an academic grant is awarded.**

69

70 **The amount of grant moneys awarded to any student shall be reduced by the amount of**
71 **any institutional aid and other gift aid as defined in subsection 2 of this section.**

72 **6. Eligible students may renew academic grants for their second, third, and fourth**
73 **years of postsecondary education, or as long as the recipient is in compliance with the**
74 **criteria to be a renewal student.**

75 **7. Notwithstanding other provisions of this section to the contrary, for a student**
76 **who has been awarded an initial academic grant under the provisions of this section but**
77 **is unable to attend during the first academic year, or for a renewal student who ceases all**
78 **attendance at an approved institution, eligibility may be deferred and resumed in the**
79 **following circumstances:**

80 **(1) Student eligibility may be deferred if:**

81 **(a) The initial or renewal student provides to the coordinating board for higher**
82 **education documentation that he or she is unable to attend for the purpose of providing**
83 **service to a 501(c)(3) organization, a state or federal government agency, or any branch of**
84 **the Armed Forces of the United States; or**

85 **(b) The initial or renewal student provides to the coordinating board for higher**
86 **education sufficient medical evidence documenting that the student is unable to attend**
87 **during the time period for which the grant was offered because of illness, disability,**
88 **pregnancy, or other medical need; and**

89 **(2) Student eligibility that has been deferred may be resumed upon enrollment in**
90 **any approved institution after the completion of the deferment if the student meets the**
91 **following criteria and all other requirements for an initial or renewal award:**

92 **(a) For an eligible student whose eligibility was deferred as a result of service to a**
93 **501(c)(3) organization or the state or federal government, the student returns to full-time**
94 **status within twenty-seven months and provides to the coordinating board for higher**
95 **education verification that the service to the 501(c)(3) organization was satisfactorily**
96 **completed and was not compensated other than for expenses, or that the service to the state**
97 **or federal government was satisfactorily completed;**

98 **(b) For an eligible student whose eligibility was deferred because of illness,**
99 **disability, pregnancy, or other medical need, the student returns to full-time status within**
100 **twenty-seven months and provides to the coordinating board for higher education**
101 **verification that the student is medically able to resume attendance; and**

102 **(c) For an eligible student who cannot attend an approved institution as a result of**
103 **military service in the Armed Forces of the United States, the student returns to full-time**
104 **status within twelve months after the eligible student first ceases service in the Armed**
105 **Forces and provides verification to the coordinating board for higher education that the**
106 **military service was satisfactorily completed.**

107 **8. A recipient of an academic grant awarded under this section may transfer from**
108 **one approved institution to another without losing eligibility for the academic grant.**

109 **9. If a recipient of an academic grant at any time withdraws from an approved**
110 **institution so that under the rules and regulations of that institution he or she is entitled**
111 **to a refund of any tuition, fees, or other charges, the institution shall pay the portion of the**
112 **refund attributable to the academic grant for that term to the coordinating board for**
113 **higher education.**

114 **10. Subject to the requirements of subsections 3 to 9 of this section, a student is**
115 **eligible for an academic grant under this section if the student meets all of the following**
116 **criteria:**

117 **(1) The student is a resident student enrolled as a full-time student in an approved**
118 **institution;**

119 **(2) The student has successfully completed counseling explaining the benefits and**
120 **obligations of the program under this section, including the terms and conditions of the**
121 **agreement under subdivision (3) of this subsection and the consequences of noncompliance**
122 **specified in subsection 12 of this section; and**

123 **(3) The student executes a promissory note acknowledging that the academic grant**
124 **moneys awarded under this section will be converted to a loan and agreeing to repay that**
125 **loan if he or she fails to satisfy the following conditions:**

126 **(a) Graduation from an approved institution with a cumulative grade point average**
127 **of at least two and one-half on a four-point scale or the equivalent; and**

128 **(b) Residency within the state of Missouri within twelve months after the date of**
129 **the student's graduation, qualifying employment within the calendar year following the**
130 **student's year of graduation, and residency and qualifying employment for at least four**
131 **consecutive years thereafter. The start of the recipient's residency and employment**
132 **obligations may be deferred if the recipient's studies continue after graduation or if the**
133 **recipient is providing service to any branch of the Armed Forces of the United States.**

134 **11. Persons who received academic grants under this section shall be required to**
135 **submit proof of residency and qualifying employment to the coordinating board for higher**
136 **education on or before the first Monday of the second May following the student's date of**
137 **graduation. At such time, and each year thereafter for the duration of the recipient's**
138 **residency and employment obligations under the program, the grant recipient shall submit**
139 **to the coordinating board for higher education documentation indicating the recipient filed**
140 **a Missouri resident tax return with Missouri adjusted gross income of at least ten thousand**
141 **dollars in the preceding tax year.**

142 **12. (1) Except as provided in subdivision (2) of this subsection, if a student who**
143 **received an academic grant under this section fails to comply with the terms of the**
144 **promissory note under subdivision (3) of subsection 10 of this section, including failure to**
145 **satisfy the promises in paragraphs (a) and (b) of such subdivision, the academic grant shall**
146 **be converted to a loan. This loan shall be repaid at the federal direct loan interest rate for**
147 **Direct Subsidized Undergraduate Loans in effect at the beginning of the student's twelve-**
148 **month grace period. Interest shall be calculated from the date the recipient enters**
149 **repayment. For a recipient who fulfills some, but not all, of his or her four-year residency**
150 **and employment obligations, the amount of the academic grant that is converted to a loan**
151 **shall be reduced by one-fourth for each period of twelve months of residency and**
152 **employment as verified by the proof of residency and qualifying employment required in**
153 **subsection 11 of this section.**

154 **(2) In the rules promulgated under the authority of subsection 15 of this section,**
155 **the coordinating board for higher education shall provide for a waiver under which the**
156 **academic grant is not converted to a loan under subdivision (1) of this subsection for a**
157 **student who fails to comply with the terms of the agreement under paragraphs (a) and (b)**
158 **of subdivision (3) of subsection 10 of this section due to his or her total and permanent**

159 **disability or death, or the total and permanent disability or death of his or her spouse,**
160 **child, or parent. The rules shall specify standards for the board's determination of total**
161 **and permanent disability or death and a process for seeking a waiver under this**
162 **subsection.**

163 **(3) The coordinating board for higher education shall deposit in the bright flight**
164 **promise program fund all repayments of principal and interest on the loans under**
165 **subdivision (1) of this subsection.**

166 **13. In the rules promulgated under the authority of subsection 15 of this section,**
167 **the coordinating board for higher education shall establish a procedure and guidelines for**
168 **granting deferments or forbearances of academic grants that have been converted to loans**
169 **and are in repayment status for recipients who:**

170 **(1) Are enrolled at least half-time at an institution of higher education; or**

171 **(2) Are providing service to any branch of the Armed Forces of the United States.**

172 **14. The state auditor shall conduct an audit of the bright flight promise program**
173 **established under this section every year, beginning July 1, 2021. The audit shall contain**
174 **the number and amount of academic grants awarded during the previous award year, the**
175 **number and amount of academic grants renewed during the previous award year, and the**
176 **number and amount of academic grants converted to loans due to failure to fulfill the four-**
177 **year residency and employment obligations. The findings of each audit shall be distributed**
178 **to the general assembly no later than ten business days after the completion of such audit.**

179 **15. The coordinating board for higher education may promulgate all necessary**
180 **rules and regulations for the administration of this section. Any rule or portion of a rule,**
181 **as that term is defined in section 536.010, that is created under the authority delegated in**
182 **this section shall become effective only if it complies with and is subject to all of the**
183 **provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536**
184 **are nonseverable, and if any of the powers vested with the general assembly pursuant to**
185 **chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are**
186 **subsequently held unconstitutional, then the grant of rulemaking authority and any rule**
187 **proposed or adopted after August 28, 2018, shall be invalid and void.**

173.1577. There is hereby created in the state treasury the "Bright Flight Promise
2 **Program Fund", which shall consist of moneys appropriated annually by the general**
3 **assembly from general revenue and any gifts, bequests, or donations. The state treasurer**
4 **shall be custodian of the fund. In accordance with sections 30.170 and 30.180, the state**
5 **treasurer may approve disbursements. The fund shall be a dedicated fund and, upon**
6 **appropriation, moneys in the fund shall be used solely for the administration of the bright**
7 **flight promise program and up to three percent of such moneys may be used for**

8 **administrative cost allowances. Notwithstanding the provisions of section 33.080 to the**
9 **contrary, any moneys remaining in the fund at the end of the biennium shall not revert to**
10 **the credit of the general revenue fund. The state treasurer shall invest moneys in the fund**
11 **in the same manner as other funds are invested. Any interest and moneys earned on such**
12 **investments shall be credited to the fund.**

✓