

# HOUSE BILL NO. 2176

## 98TH GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVE CURTIS.

5711H.011

D. ADAM CRUMBLISS, Chief Clerk

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### AN ACT

To repeal section 173.750, RSMo, and to enact in lieu thereof six new sections relating to higher education, with an emergency clause for a certain section.

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

Section A. Section 173.750, RSMo, is repealed and six new sections enacted in lieu thereof, to be known as sections 143.128, 161.720, 173.750, 174.820, 174.850, and 174.860, to read as follows:

**143.128. 1. As used in this section, the following terms mean:**

**(1) "Deduction", an amount subtracted from the taxpayer's Missouri adjusted gross income to determine Missouri taxable income for the tax year in which such deduction is claimed;**

**(2) "Last credit hours or their equivalent", the remaining credit hours or their equivalent necessary to complete the taxpayer's associate or bachelor degree requirements after the resumption of the degree program, not to exceed thirty credit hours;**

**(3) "Taxpayer", any individual subject to the income tax imposed in this chapter who:**

**(a) Has been a resident of this state for at least the year immediately preceding the claim for a deduction under this section;**

**(b) Has not been enrolled as a student for at least three consecutive calendar years before the year in which the taxpayer resumes the degree program;**

**(c) Enrolls at any public two-year or four-year higher educational institution in this state;**

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.

16 (d) Provides proof to the department of revenue of achieving passing grades, as  
17 determined by the institution, in each class completed after resuming the degree program  
18 at the public two-year or four-year higher educational institution conferring the taxpayer's  
19 associate or bachelor degree;

20 (4) "Tuition costs", the amount expended for tuition for the last credit hours or  
21 their equivalent at any public two-year or four-year higher educational institution in this  
22 state, but not to exceed the average tuition for the same number of last credit hours or their  
23 equivalent if the taxpayer were enrolled at the University of Missouri.

24 2. In addition to all deductions listed in this chapter, for all taxable years beginning  
25 on or after January 1, 2017, a taxpayer shall be allowed a deduction for tuition costs for  
26 the taxpayer's last hours or their equivalent incurred by the taxpayer.

27 3. The deduction provided in this section may be claimed for each taxable year in  
28 which the taxpayer is enrolled at the higher educational institution and is completing the  
29 taxpayer's last credit hours or their equivalent. If the taxpayer fails to complete the  
30 taxpayer's last credit hours or their equivalent within three years after enrolling for the  
31 purpose of completing the taxpayer's associate or bachelor degree requirements, the  
32 amount of all deductions claimed under this section by the taxpayer shall be added to the  
33 taxpayer's income tax liability at the same time the taxpayer next files a state income tax  
34 return as required by law.

35 4. The department of revenue shall establish the procedure by which the deduction  
36 provided in this section may be claimed, and may promulgate rules to implement the  
37 provisions of this section. The department may confer with public two-year or four-year  
38 higher educational institutions in this state to develop such procedures. Any rule or  
39 portion of a rule, as that term is defined in section 536.010, that is created under the  
40 authority delegated in this section shall become effective only if it complies with and is  
41 subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This  
42 section and chapter 536 are nonseverable, and if any of the powers vested with the general  
43 assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove  
44 and annul a rule are subsequently held unconstitutional, then the grant of rulemaking  
45 authority and any rule proposed or adopted after August 28, 2016, shall be invalid and  
46 void.

47 5. Under section 23.253 of the Missouri sunset act:

48 (1) The provisions of the new program authorized under this section shall  
49 automatically sunset on December thirty-first six years after the effective date of this  
50 section unless reauthorized by an act of the general assembly; and

51           (2) If such program is reauthorized, the program authorized under this section  
52 shall automatically sunset on December thirty-first twelve years after the effective date of  
53 the reauthorization of this section; and

54           (3) This section shall terminate on September first of the calendar year immediately  
55 following the calendar year in which the program authorized under this section is sunset.  
56 The termination of the program as described in this subsection shall not be construed to  
57 preclude any taxpayer who claims any benefit under any program that is sunset under this  
58 subsection from claiming such benefit for all allowable activities related to such claim that  
59 were completed before the program was sunset, or to eliminate any responsibility of the  
60 administering agency to verify the continued eligibility of projects receiving tax credits and  
61 to enforce other requirements of law that applied before the program was sunset.

161.720. 1. Beginning with academic year 2016-17, any student who graduates  
2 from a Missouri public high school and enrolls in a public two-year or four-year degree  
3 program in Missouri within the same calendar year may apply to receive reimbursement  
4 for tuition for remedial courses to which such student is assigned by the college or  
5 university under the conditions described in this section.

6           2. A college course shall qualify as remedial if it is:

7           (1) In the subject of reading, English composition, or mathematics; and

8           (2) Is designated by number, title, course description, or other means, as necessary  
9 to prepare a student for the first college-level course in the subject.

10           3. The department of elementary and secondary education shall, by rule, establish  
11 a method by which a student may apply for, provide documentation for, and receive a  
12 reimbursement for such tuition no more frequently than twice a year. Reimbursement  
13 shall be directly proportional to the graduating high school's three-year rolling average of  
14 percentage of graduates enrolled in any remedial course bases on the unduplicated count  
15 as reported for the annual graduates' performance report required by section 173.750. No  
16 reimbursements shall be made for retaking a remedial course.

17           4. The joint committee on education, as established in section 160.254, shall review  
18 available data on remediation rates after the close of the 2020-21 academic year to  
19 determine:

20           (1) The effects, if any, of this section upon remediation rates, including the possible  
21 overidentification of students for remediation;

22           (2) The correlation, if any, between performance on the end-of-course high school  
23 level statewide assessments and the need for remediation in the freshman year of college;

24           (3) The effects, if any, of the alignment of high school exit and higher education  
25 entrance competencies as required under subdivision (7) of subsection 2 of section 173.005;

26 (4) If possible, the extent to which information concerning remediation rates is used  
27 to improve high school instruction; and

28 (5) Any other matters related to remediation including, but not limited to, the  
29 availability and kinds of data that should be considered for the creation of effective public  
30 policy.

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32 The departments of higher education and elementary and secondary education, and the  
33 research offices of the general assembly, shall provide assistance as needed. The joint  
34 committee shall make such recommendations as it believes are necessary to the general  
35 assembly to reduce the need for remediation.

36 5. The department of elementary and secondary education shall consider, if  
37 recommended by the joint committee after review of the data in subsection 4 of this section,  
38 the creation by rule of an increasing penalty for districts whose remediation rates do not  
39 show sufficient improvement.

40 6. Reimbursements under this section shall be funded by withholdings from the  
41 classroom trust fund payment of the graduating school district. Any amount needed for  
42 reimbursement under this section that exceeds the amount available from the district's  
43 classroom trust fund payment shall be waived.

44 7. Any rule or portion of a rule, as that term is defined in section 536.010, that is  
45 created under the authority delegated in this section shall become effective only if it  
46 complies with and is subject to all of the provisions of chapter 536 and, if applicable,  
47 section 536.028. This section and chapter 536 are nonseverable, and if any of the powers  
48 vested with the general assembly pursuant to chapter 536 to review, to delay the effective  
49 date, or to disapprove and annul a rule are subsequently held unconstitutional, then the  
50 grant of rulemaking authority and any rule proposed or adopted after August 28, 2016,  
51 shall be invalid and void.

173.750. 1. By July 1, 1995, the coordinating board for higher education, within existing  
2 resources provided to the department of higher education and by rule and regulation, shall have  
3 established and implemented a procedure for annually reporting the performance of graduates  
4 of public high schools in the state during the student's initial year in the public colleges and  
5 universities of the state. The purpose of such reports shall be to assist in determining how high  
6 schools are preparing students for successful college and university performance. The report  
7 produced pursuant to this subsection shall annually be furnished to the state board of education  
8 for reporting pursuant to subsection 4 of section 161.610 [and shall not be used for any other  
9 purpose].

10           2. The procedures shall be designed so that the reporting is made by the name of each  
11 high school in the state, with individual student data to be grouped according to the high school  
12 from which the students graduated. The data in the reports shall be disaggregated by race and  
13 sex. The procedures shall not be designed so that the reporting contains the name of any student.  
14 No grade point average shall be disclosed under subsection 3 of this section in any case where  
15 three or fewer students from a particular high school attend a particular college or university.

16           3. The data reported shall include grade point averages after the initial college year,  
17 calculated on, or adjusted to, a four point grade scale; the percentage of students returning to  
18 college after the first and second half of the initial college year, or after each trimester of the  
19 initial college year; the percentage of students taking noncollege level classes in basic academic  
20 courses during the first college year, or remedial courses in basic academic subjects of English,  
21 mathematics, or reading; and other such data as determined by rule and regulation of the  
22 coordinating board for higher education.

**174.820. 1. This section shall be known and may be cited as the "Missouri Tuition  
2 Equity Act".**

**3           2. Notwithstanding any other provision of law to the contrary, for the purposes of  
4 tuition, fees, and admission, the governing board of any Missouri higher education  
5 institution that receives any state funds whatsoever shall deem an individual a Missouri  
6 resident, unless or until the individual establishes a residence outside of Missouri, if all of  
7 the following conditions are met:**

**8           (1) The individual resided with his or her parent or guardian, or was emancipated,  
9 while attending a public, private, or charter high school in this state;**

**10           (2) The individual graduated from a public, private, or charter high school or  
11 received the equivalent of a high school diploma in this state;**

**12           (3) The individual attended school in this state for at least two years as of the date  
13 the individual graduated from high school or received the equivalent of a high school  
14 diploma;**

**15           (4) The individual entered the United States prior to the enactment of this section;  
16 and**

**17           (5) In the case of an individual who is not a citizen or a permanent resident of the  
18 United States, the individual provides the higher education institution with an affidavit  
19 stating that the individual will file an application to become a permanent resident of the  
20 United States at the earliest opportunity the individual is eligible to do so.**

**21           3. No Missouri higher education institution that receives any state funds  
22 whatsoever may deny admittance to a student based solely on his or her immigration status  
23 provided the student has satisfied the requirements of this section.**

24           **4. Any information collected under this section as part of a student's admission**  
25 **shall remain confidential.**

**174.850. Notwithstanding any other provision of law, in any year in which a public**  
2 **institution of higher education located within this state increases student tuition rates from**  
3 **the previous year, thirty-three percent of the increase shall be designated for faculty**  
4 **improvement.**

**174.860. 1. As used in this section, the following terms shall mean:**

2           **(1) "Full-time", twelve semester credit hours or more per semester for an**  
3 **undergraduate student and nine semester hours or more per semester for a graduate**  
4 **student;**

5           **(2) "Qualifying institution", an institution of higher education in Missouri that**  
6 **receives any state funds whatsoever;**

7           **(3) "Qualifying student", a Missouri resident who is a student enrolled full time in**  
8 **a qualifying institution after the 2016-17 school year.**

9           **2. Except as provided in subsections 4 and 6 of this section, during the five**  
10 **continuous academic years next following a qualifying student's initial enrollment at a**  
11 **qualifying institution, the tuition charged to a qualifying student shall not exceed the**  
12 **amount that the qualifying student was charged at the time the qualifying student first**  
13 **enrolled in the qualifying institution. To qualify for this tuition lock in, students shall be**  
14 **continuously enrolled full time, excluding summer session classes.**

15           **3. Except as provided in subsection 6 of this section, the tuition of a qualifying**  
16 **student who was enrolled at a qualifying institution prior to the 2016-17 school year shall**  
17 **not exceed the amount that the qualifying student was charged for the 2016-17 school year,**  
18 **and such student's tuition shall remain at the 2016-17 tuition rate for the customary time**  
19 **required to complete the student's degree program. To qualify for this tuition lock-in, a**  
20 **student shall be continuously enrolled full time, excluding summer session classes.**

21           **4. The tuition charged to a qualifying student enrolled in a degree program that**  
22 **requires more than four years to complete shall not exceed the amount that was charged**  
23 **at the time the qualifying student first enrolled in the qualifying institution for the**  
24 **customary time required to complete the degree program.**

25           **5. The customary time required to complete a degree program shall be defined by**  
26 **the qualifying institution offering the degree program. If the qualifying student changes**  
27 **majors during the time period referred to in this subsection or subsection 2 of this section,**  
28 **the tuition charged to the qualifying student shall equal the amount the qualifying student**  
29 **would have been assessed had the qualifying student been admitted to the changed major**  
30 **program when the qualifying student first enrolled in the qualifying institution.**

31           **6. Undergraduate students who have had tuition rates locked in under subsection**  
32 **2 or 3 of this section who elect to continue studies and pursue a higher degree shall be**  
33 **required to lock in tuition rates as of the first semester of their graduate studies, and the**  
34 **previous undergraduate locked-in tuition shall no longer apply.**

          Section B. Because of the importance of providing educational opportunities for  
2 Missouri high school graduates, the enactment of section 174.820 of section A of this act is  
3 deemed necessary for the immediate preservation of the public health, welfare, peace and safety,  
4 and the enactment of section 174.820 of section A of this act is hereby declared to be an  
5 emergency act within the meaning of the constitution, and the enactment of section 174.820 of  
6 this act shall be in full force and effect on July 1, 2016, or upon its passage and approval,  
7 whichever occurs first.

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