

SENATE SUBSTITUTE  
FOR  
HOUSE BILL NO. 1744

AN ACT

To repeal sections 160.545, 162.441, 166.435 as enacted by senate bill no. 366, ninety-eighth general assembly, first regular session, 166.435 as enacted by senate bill no. 863, ninety-fourth general assembly, second regular session, 173.1101, 173.1102, 173.1104, 173.1105, and 173.1107, RSMo, and to enact in lieu thereof eight 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:

1           Section A. Sections 160.545, 162.441, 166.435 as enacted by  
2 senate bill no. 366, ninety-eighth general assembly, first  
3 regular session, 166.435 as enacted by senate bill no. 863,  
4 ninety-fourth general assembly, second regular session, 173.1101,  
5 173.1102, 173.1104, 173.1105, and 173.1107, RSMo, are repealed  
6 and eight new sections enacted in lieu thereof, to be known as  
7 sections 160.545, 162.441, 166.435, 173.1101, 173.1102, 173.1104,  
8 173.1105, and 173.1107, to read as follows:

9           160.545. 1. There is hereby established within the  
10 department of elementary and secondary education the "A+ Schools  
11 Program" to be administered by the commissioner of education.  
12 The program shall consist of grant awards made to public  
13 secondary schools that demonstrate a commitment to ensure that:

- 14           (1) All students be graduated from school;  
15           (2) All students complete a selection of high school

1 studies that is challenging and for which there are identified  
2 learning expectations; and

3 (3) All students proceed from high school graduation to a  
4 college or postsecondary vocational or technical school or  
5 high-wage job with work place skill development opportunities.

6 2. The state board of education shall promulgate rules and  
7 regulations for the approval of grants made under the program to  
8 schools that:

9 (1) Establish measurable districtwide performance standards  
10 for the goals of the program outlined in subsection 1 of this  
11 section; and

12 (2) Specify the knowledge, skills and competencies, in  
13 measurable terms, that students must demonstrate to successfully  
14 complete any individual course offered by the school, and any  
15 course of studies which will qualify a student for graduation  
16 from the school; and

17 (3) Do not offer a general track of courses that, upon  
18 completion, can lead to a high school diploma; and

19 (4) Require rigorous coursework with standards of  
20 competency in basic academic subjects for students pursuing  
21 vocational and technical education as prescribed by rule and  
22 regulation of the state board of education; and

23 (5) Have a partnership plan developed in cooperation and  
24 with the advice of local business persons, labor leaders,  
25 parents, and representatives of college and postsecondary  
26 vocational and technical school representatives, with the plan  
27 then approved by the local board of education. The plan shall  
28 specify a mechanism to receive information on an annual basis

1 from those who developed the plan in addition to senior citizens,  
2 community leaders, and teachers to update the plan in order to  
3 best meet the goals of the program as provided in subsection 1 of  
4 this section. Further, the plan shall detail the procedures used  
5 in the school to identify students that may drop out of school  
6 and the intervention services to be used to meet the needs of  
7 such students. The plan shall outline counseling and mentoring  
8 services provided to students who will enter the work force upon  
9 graduation from high school, address apprenticeship and intern  
10 programs, and shall contain procedures for the recruitment of  
11 volunteers from the community of the school to serve in schools  
12 receiving program grants.

13 3. Any nonpublic school in this state may apply to the  
14 state board of education for certification that it meets the  
15 requirements of this section subject to the same criteria as  
16 public high schools. Every nonpublic school that applies and has  
17 met the requirements of this section shall have its students  
18 eligible for reimbursement of postsecondary education under  
19 subsection 8 of this section on an equal basis to students who  
20 graduate from public schools that meet the requirements of this  
21 section. Any nonpublic school that applies shall not be eligible  
22 for any grants under this section. Students of certified  
23 nonpublic schools shall be eligible for reimbursement of  
24 postsecondary education under subsection 8 of this section so  
25 long as they meet the other requirements of such subsection. For  
26 purposes of subdivision (5) of subsection 2 of this section, the  
27 nonpublic school shall be included in the partnership plan  
28 developed by the public school district in which the nonpublic

1 school is located. For purposes of subdivision (1) of subsection  
2 of this section, the nonpublic school shall establish  
3 measurable performance standards for the goals of the program for  
4 every school and grade level over which the nonpublic school  
5 maintains control.

6 4. A school district may participate in the program  
7 irrespective of its accreditation classification by the state  
8 board of education, provided it meets all other requirements.

9 5. By rule and regulation, the state board of education may  
10 determine a local school district variable fund match requirement  
11 in order for a school or schools in the district to receive a  
12 grant under the program. However, no school in any district  
13 shall receive a grant under the program unless the district  
14 designates a salaried employee to serve as the program  
15 coordinator, with the district assuming a minimum of one-half the  
16 cost of the salary and other benefits provided to the  
17 coordinator. Further, no school in any district shall receive a  
18 grant under the program unless the district makes available  
19 facilities and services for adult literacy training as specified  
20 by rule of the state board of education.

21 6. For any school that meets the requirements for the  
22 approval of the grants authorized by this section and specified  
23 in subsection 2 of this section for three successive school  
24 years, by August first following the third such school year, the  
25 commissioner of education shall present a plan to the  
26 superintendent of the school district in which such school is  
27 located for the waiver of rules and regulations to promote  
28 flexibility in the operations of the school and to enhance and

1 encourage efficiency in the delivery of instructional services in  
2 the school. The provisions of other law to the contrary  
3 notwithstanding, the plan presented to the superintendent shall  
4 provide a summary waiver, with no conditions, for the pupil  
5 testing requirements pursuant to section 160.257 in the school.  
6 Further, the provisions of other law to the contrary  
7 notwithstanding, the plan shall detail a means for the waiver of  
8 requirements otherwise imposed on the school related to the  
9 authority of the state board of education to classify school  
10 districts pursuant to subdivision (9) of section 161.092 and such  
11 other rules and regulations as determined by the commissioner of  
12 education, except such waivers shall be confined to the school  
13 and not other schools in the school district unless such other  
14 schools meet the requirements of this subsection. However, any  
15 waiver provided to any school as outlined in this subsection  
16 shall be void on June thirtieth of any school year in which the  
17 school fails to meet the requirements for the approval of the  
18 grants authorized by this section as specified in subsection 2 of  
19 this section.

20 7. For any school year, grants authorized by subsections 1,  
21 2, and 5 of this section shall be funded with the amount  
22 appropriated for this program, less those funds necessary to  
23 reimburse eligible students pursuant to subsection 8 of this  
24 section.

25 8. The department of higher education shall, by rule,  
26 establish a procedure for the reimbursement of the cost of  
27 tuition, books and fees to any public community college or  
28 vocational or technical school or within the limits established

1 in subsection 10 of this section for any two-year private  
2 vocational or technical school for any student:

3 (1) Who has attended a high school in the state for at  
4 least three years [immediately] prior to graduation that meets  
5 the requirements of subsection 2 of this section and who has  
6 graduated from such a school; except that, students who are  
7 active duty military dependents, and students who are dependants  
8 of retired military who relocate to Missouri within one year of  
9 the date of the parent's retirement from active duty, who, in the  
10 school year immediately preceding graduation, meet all other  
11 requirements of this subsection and are attending a school that  
12 meets the requirements of subsection 2 of this section shall be  
13 exempt from the three-year attendance requirement of this  
14 subdivision; and

15 (2) Who has made a good faith effort to first secure all  
16 available federal sources of funding that could be applied to the  
17 reimbursement described in this subsection; and

18 (3) Who has earned a minimal grade average while in high  
19 school as determined by rule of the department of higher  
20 education, and other requirements for the reimbursement  
21 authorized by this subsection as determined by rule and  
22 regulation of the department; and

23 (4) Who is a citizen or permanent resident of the United  
24 States.

25 9. The commissioner of education shall develop a procedure  
26 for evaluating the effectiveness of the program described in this  
27 section. Such evaluation shall be conducted annually with the  
28 results of the evaluation provided to the governor, speaker of

1 the house, and president pro tempore of the senate.

2 10. For a two-year private vocational or technical school  
3 to obtain reimbursements under subsection 8 of this section, the  
4 following requirements shall be satisfied:

5 (1) Such two-year private vocational or technical school  
6 shall be a member of the North Central Association and be  
7 accredited by the Higher Learning Commission as of July 1, 2008,  
8 and maintain such accreditation;

9 (2) Such two-year private vocational or technical school  
10 shall be designated as a 501(c)(3) nonprofit organization under  
11 the Internal Revenue Code of 1986, as amended;

12 (3) No two-year private vocational or technical school  
13 shall receive tuition reimbursements in excess of the tuition  
14 rate charged by a public community college for course work  
15 offered by the private vocational or technical school within the  
16 service area of such college; and

17 (4) The reimbursements provided to any two-year private  
18 vocational or technical school shall not violate the provisions  
19 of Article IX, Section 8, or Article I, Section 7, of the  
20 Missouri Constitution or the first amendment of the United States  
21 Constitution.

22 162.441. 1. If any school district desires to be attached  
23 to a community college district organized under sections 178.770  
24 to 178.890 or to one or more adjacent seven-director school  
25 districts for school purposes, upon the receipt of a petition  
26 setting forth such fact, signed either by voters of the district  
27 equal in number to ten percent of those voting in the last school  
28 election at which school board members were elected or by a

1 majority of the voters of the district, whichever is the lesser,  
2 the school board of the district desiring to be so attached shall  
3 submit the question to the voters.

4 2. As an alternative to the procedure in subsection 1 of  
5 this section, a seven-director district may, by a majority vote  
6 of its board of education, propose a plan to the voters of the  
7 district to attach the district to one or more adjacent  
8 seven-director districts and call [for] an election upon the  
9 question of such plan.

10 3. As an alternative to the procedures in subsection 1 or 2  
11 of this section, a community college district organized under  
12 sections 178.770 to 178.890 may, by a majority vote of its board  
13 of trustees, propose a plan to the voters of the school district  
14 to attach the school district to the community college district,  
15 levy the tax rate applicable to the community college district at  
16 the time of the vote of the board of trustees, and call an  
17 election upon the question of such plan. The tax rate applicable  
18 to the community college district shall not be levied as to the  
19 school district until the proposal by the board of trustees of  
20 the community college district has been approved by a majority  
21 vote of the voters of the school district at the election called  
22 for that purpose. The community college district shall be  
23 responsible for the costs associated with the election.

24 4. A plat of the proposed changes to all affected districts  
25 shall be published and posted with the notice of election.

26 [4.] 5. The question shall be submitted in substantially  
27 the following form:

28 Shall the \_\_\_\_\_ school district be annexed to the



1           \_\_\_\_\_ school districts effective the \_\_\_\_\_ day of  
2           \_\_\_\_\_, \_\_\_\_\_?

3           [5.] 6. If a majority of the votes cast in the district  
4 proposing annexation favor annexation, the secretary shall  
5 certify the fact, with a copy of the record, to the board of the  
6 district and to the boards of the districts to which annexation  
7 is proposed; whereupon the boards of the seven-director districts  
8 to which annexation is proposed shall meet to consider the  
9 advisability of receiving the district or a portion thereof, and  
10 if a majority of all the members of each board favor annexation,  
11 the boundary lines of the seven-director school districts from  
12 the effective date shall be changed to include the district, and  
13 the board shall immediately notify the secretary of the district  
14 which has been annexed of its action.

15           [6.] 7. Upon the effective date of the annexation, all  
16 indebtedness, property and money on hand belonging thereto shall  
17 immediately pass to the seven-director school district. If the  
18 district is annexed to more than one district, the provisions of  
19 sections 162.031 and 162.041 shall apply.

20           166.435. 1. Notwithstanding any law to the contrary, the  
21 assets of the savings program held by the board, the assets of  
22 any deposit program authorized in section 166.500, and the assets  
23 of any qualified tuition savings program established pursuant to  
24 Section 529 of the Internal Revenue Code and any income therefrom  
25 shall be exempt from all taxation by the state or any of its  
26 political subdivisions. Income earned or received from the  
27 savings program, deposit, or other qualified tuition savings  
28 programs established under Section 529 of the Internal Revenue

1 Code [program], or refunds of qualified higher education expenses  
2 received by a beneficiary from an eligible educational  
3 institution in connection with withdrawal from enrollment at such  
4 institution which are contributed within sixty days of withdrawal  
5 to a qualified tuition savings program of which such individual  
6 is a beneficiary shall not be subject to state income tax imposed  
7 pursuant to chapter 143 and shall be eligible for any benefits  
8 provided in accordance with Section 529 of the Internal Revenue  
9 Code. The exemption from taxation pursuant to this section shall  
10 apply only to assets and income maintained, accrued, or expended  
11 pursuant to the requirements of the savings program established  
12 pursuant to sections 166.400 to 166.455, the deposit program  
13 established pursuant to sections 166.500 to 166.529, and other  
14 qualified tuition savings programs established under Section 529  
15 of the Internal Revenue Code, and no exemption shall apply to  
16 assets and income expended for any other purposes. Annual  
17 contributions made to the savings program held by the board, the  
18 deposit program, and any qualified tuition savings program  
19 established under Section 529 of the Internal Revenue Code up to  
20 and including eight thousand dollars per participating taxpayer,  
21 and up to sixteen thousand dollars for married individuals filing  
22 a joint tax return, shall be subtracted in determining Missouri  
23 adjusted gross income pursuant to section 143.121.

24 2. If any deductible contributions to or earnings from any  
25 such program referred to in this section are distributed and not  
26 used to pay qualified higher education expenses, not transferred  
27 as allowed by 26 U.S.C. 529(c)(3)(C)(i), as amended, and any  
28 Internal Revenue Service regulations or guidance issued in

1 relation thereto, or are not held for the minimum length of time  
2 established by the appropriate Missouri board, then the amount so  
3 distributed shall be [added to] included in the Missouri adjusted  
4 gross income of the participant, or, if the participant is not  
5 living, the beneficiary.

6 3. The provisions of this section shall apply to tax years  
7 beginning on or after January 1, 2008, and the provisions of this  
8 section with regard to sections 166.500 to 166.529 shall apply to  
9 tax years beginning on or after January 1, 2004.

10 [4. The repeal and reenactment of this section shall become  
11 effective only upon notification by the State Treasurer to the  
12 Revisor of Statutes of the passage of H.R. 529 of the 114th  
13 United States Congress.]

14  
15 [166.435. 1. Notwithstanding any law to the  
16 contrary, the assets of the savings program held by the  
17 board, the assets of any deposit program authorized in  
18 section 166.500, and the assets of any qualified  
19 tuition savings program established pursuant to Section  
20 529 of the Internal Revenue Code and any income  
21 therefrom shall be exempt from all taxation by the  
22 state or any of its political subdivisions. Income  
23 earned or received from the savings program, deposit,  
24 or other qualified tuition savings programs established  
25 under Section 529 of the Internal Revenue Code program  
26 shall not be subject to state income tax imposed  
27 pursuant to chapter 143 and shall be eligible for any  
28 benefits provided in accordance with Section 529 of the  
29 Internal Revenue Code. The exemption from taxation  
30 pursuant to this section shall apply only to assets and  
31 income maintained, accrued, or expended pursuant to the  
32 requirements of the savings program established  
33 pursuant to sections 166.400 to 166.455, the deposit  
34 program established pursuant to sections 166.500 to  
35 166.529, and other qualified tuition savings programs  
36 established under Section 529 of the Internal Revenue  
37 Code, and no exemption shall apply to assets and income  
38 expended for any other purposes. Annual contributions  
39 made to the savings program held by the board, the  
40 deposit program, and any qualified tuition savings

1 program established under Section 529 of the Internal  
2 Revenue Code up to and including eight thousand dollars  
3 per participating taxpayer, and up to sixteen thousand  
4 dollars for married individuals filing a joint tax  
5 return, shall be subtracted in determining Missouri  
6 adjusted gross income pursuant to section 143.121.

7 2. If any deductible contributions to or earnings  
8 from any such program referred to in this section are  
9 distributed and not used to pay qualified higher  
10 education expenses or are not held for the minimum  
11 length of time established by the appropriate Missouri  
12 board, the amount so distributed shall be added to the  
13 Missouri adjusted gross income of the participant, or,  
14 if the participant is not living, the beneficiary.

15 3. The provisions of this section shall apply to  
16 tax years beginning on or after January 1, 2008, and  
17 the provisions of this section with regard to sections  
18 166.500 to 166.529 shall apply to tax years beginning  
19 on or after January 1, 2004.]  
20

21 173.1101. The financial assistance program established  
22 under sections 173.1101 to 173.1107 shall be hereafter known as  
23 the "Access Missouri Financial Assistance Program". The  
24 coordinating board and all approved private [~~and~~], public, and  
25 virtual institutions in this state shall refer to the financial  
26 assistance program established under sections 173.1101 to  
27 173.1107 as the access Missouri student financial assistance  
28 program in their scholarship literature, provided that no  
29 institution shall be required to revise or amend any such  
30 literature to comply with this section prior to the date such  
31 literature would otherwise be revised, amended, reprinted or  
32 replaced in the ordinary course of such institution's business.

33 173.1102. 1. As used in sections 173.1101 to 173.1107,  
34 unless the context requires otherwise, the following terms mean:

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

37 (2) "Approved private institution", a nonprofit

1 institution, dedicated to educational purposes, located in  
2 Missouri which:

3 (a) Is operated privately under the control of an  
4 independent board and not directly controlled or administered by  
5 any public agency or political subdivision;

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

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

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

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

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

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

28 (b) Receives appropriations directly or indirectly from the

1 general assembly for operating expenses;

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

5 (d) Meets the standards for accreditation as determined by  
6 either the Higher Learning Commission, or if a public community  
7 college created under the provisions of sections 178.370 to  
8 178.400 meets the standards established by the coordinating board  
9 for higher education for such public community colleges, or by  
10 other accrediting bodies recognized by the United States  
11 Department of Education or by utilizing accreditation standards  
12 applicable to the institution as established by the coordinating  
13 board for higher education;

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

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

21 (4) "Approved virtual institution", an educational  
22 institution that meets all of the following requirements:

23 (a) Is recognized as a qualifying institution by  
24 gubernatorial executive order, unless such order is rescinded;

25 (b) Is recognized as a qualifying institution through a  
26 memorandum of understanding between the state of Missouri and the  
27 approved virtual institution;

28 (c) Is accredited by a regional accrediting agency

1 recognized by the United States Department of Education;

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

4 (e) Maintains at least twenty-five full-time Missouri  
5 employees, at least one-half of which shall be faculty or  
6 administrators engaged in operations;

7 (f) Enrolls at least one thousand Missouri residents as  
8 degree or certificate seeking students;

9 (g) Maintains a governing body or advisory board based in  
10 Missouri with oversight of Missouri operations;

11 (h) Is organized as a nonprofit institution; and

12 (i) Utilizes an exclusively competency-based education  
13 model;

14 (5) "Coordinating board", the coordinating board for higher  
15 education;

16 **[(5)]** (6) "Expected family contribution", the amount of  
17 money a student and family should pay toward the cost of  
18 postsecondary education as calculated by the United States  
19 Department of Education and reported on the student aid report or  
20 the institutional student information record;

21 **[(6)]** (7) "Financial assistance", an amount of money paid  
22 by the state of Missouri to a qualified applicant under sections  
23 173.1101 to 173.1107;

24 **[(7)]** (8) "Full-time student", an individual who is  
25 enrolled in and is carrying a sufficient number of credit hours  
26 or their equivalent at an approved private [or], public, or  
27 virtual institution to secure the degree or certificate toward  
28 which he or she is working in no more than the number of

1 semesters or their equivalent normally required by that  
2 institution in the program in which the individual is enrolled.  
3 This definition shall be construed as the successor to  
4 subdivision (7) of section 173.205 for purposes of eligibility  
5 requirements of other financial assistance programs that refer to  
6 section 173.205.

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

12 173.1104. 1. An applicant shall be eligible for initial or  
13 renewed financial assistance only if, at the time of application  
14 and throughout the period during which the applicant is receiving  
15 such assistance, the applicant:

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

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

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

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

26 2. If an applicant is found guilty of or pleads guilty to  
27 any criminal offense during the period of time in which the  
28 applicant is receiving financial assistance, such applicant shall



1 not be eligible for renewal of such assistance, provided such  
2 offense would disqualify the applicant from receiving federal  
3 student aid under Title IV of the Higher Education Act of 1965,  
4 as amended.

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

17 173.1105. 1. An applicant who is an undergraduate  
18 postsecondary student at an approved private [or], public, or  
19 virtual institution and who meets the other eligibility criteria  
20 shall be eligible for financial assistance, with a minimum and  
21 maximum award amount as follows:

22 (1) For academic years 2010-11, 2011-12, 2012-13, and  
23 2013-14:

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

27 (b) Two thousand one hundred fifty dollars maximum and one  
28 thousand dollars minimum for students attending institutions

1 classified as part of the public four-year sector, including  
2 State Technical College of Missouri; and

3 (c) Four thousand six hundred dollars maximum and two  
4 thousand dollars minimum for students attending approved private  
5 institutions;

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

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

10 (b) Two thousand eight hundred fifty dollars maximum and  
11 one thousand five hundred dollars minimum for students attending  
12 institutions classified as part of the public four-year sector,  
13 including State Technical College of Missouri, [or] approved  
14 private institutions, or approved virtual institutions.

15 2. All students with an expected family contribution of  
16 twelve thousand dollars or less shall receive at least the  
17 minimum award amount for his or her institution. Maximum award  
18 amounts for an eligible student with an expected family  
19 contribution above seven thousand dollars shall be reduced by ten  
20 percent of the maximum expected family contribution for his or  
21 her increment group. Any award amount shall be reduced by the  
22 amount of a student's payment from the A+ schools program or any  
23 successor program to it. For purposes of this subsection, the  
24 term "increment group" shall mean a group organized by expected  
25 family contribution in five hundred dollar increments into which  
26 all eligible students shall be placed.

27 3. If appropriated funds are insufficient to fund the  
28 program as described, the maximum award shall be reduced across

1 all sectors by the percentage of the shortfall. If appropriated  
2 funds exceed the amount necessary to fund the program, the  
3 additional funds shall be used to increase the number of  
4 recipients by raising the cutoff for the expected family  
5 contribution rather than by increasing the size of the award.

6 4. Every three years, beginning with academic year 2009-10,  
7 the award amount may be adjusted to increase no more than the  
8 Consumer Price Index for All Urban Consumers (CPI-U), 1982-1984 =  
9 100, not seasonally adjusted, as defined and officially recorded  
10 by the United States Department of Labor, or its successor  
11 agency, for the previous academic year. The coordinating board  
12 shall prepare a report prior to the legislative session for use  
13 of the general assembly and the governor in determining budget  
14 requests which shall include the amount of funds necessary to  
15 maintain full funding of the program based on the baseline  
16 established for the program upon the effective date of sections  
17 173.1101 to 173.1107. Any increase in the award amount shall not  
18 become effective unless an increase in the amount of money  
19 appropriated to the program necessary to cover the increase in  
20 award amount is passed by the general assembly.

21 173.1107. A recipient of financial assistance may transfer  
22 from one approved public [or], private, or virtual institution to  
23 another without losing eligibility for assistance under sections  
24 173.1101 to 173.1107, but the coordinating board shall make any  
25 necessary adjustments in the amount of the award. If a recipient  
26 of financial assistance at any time is entitled to a refund of  
27 any tuition, fees, or other charges under the rules and  
28 regulations of the institution in which he or she is enrolled,

1 the institution shall pay the portion of the refund which may be  
2 attributed to the state grant to the coordinating board. The  
3 coordinating board will use these refunds to make additional  
4 awards under the provisions of sections 173.1101 to 173.1107.

5 Section B. Because of the importance of providing financial  
6 aid for Missouri high school graduates, the repeal and  
7 reenactment of section 160.545 is deemed necessary for the  
8 immediate preservation of the public health, welfare, peace, and  
9 safety, and is hereby declared to be an emergency act within the  
10 meaning of the constitution, and the repeal and reenactment of  
11 section 160.545 shall be in full force and effect upon its  
12 passage and approval.