

FIRST REGULAR SESSION
SENATE COMMITTEE SUBSTITUTE FOR
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 225
100TH GENERAL ASSEMBLY

Reported from the Committee on Education, April 11, 2019, with recommendation that the Senate Committee Substitute do pass.

ADRIANE D. CROUSE, Secretary.

0820S.03C

AN ACT

To amend chapter 173, RSMo, by adding thereto one new section relating to workforce incentive grants.

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

Section A. Chapter 173, RSMo, is amended by adding thereto one new
2 section, to be known as section 173.2553, to read as follows:

**173.2553. 1. There is hereby established a "Fast Track Workforce
2 Incentive Grant", and any moneys appropriated by the general assembly
3 for this program shall be used to provide grants for Missouri citizens
4 to attend an approved Missouri postsecondary institution of their
5 choice in accordance with the provisions of this section.**

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

9 (1) "Board", the coordinating board for higher education;

10 (2) "Eligible student", an individual who:

**11 (a) Has completed and submitted a FAFSA for the academic year
12 for which the grant is requested;**

13 (b) Is a citizen or permanent resident of the United States;

**14 (c) Is a Missouri resident as determined by reference to
15 standards promulgated by the coordinating board;**

**16 (d) Is enrolled, or plans to enroll, at least half-time as a student
17 in an eligible undergraduate program of study offered by an approved
18 public, private, or virtual institution, as defined in section 173.1102;**

**19 (e) Has an adjusted gross income, as reported on the FAFSA, that
20 does not exceed eighty thousand dollars for married filing joint**

21 taxpayers or forty thousand for all other taxpayers; and

22 (f) Is twenty-five years of age or older at the time of enrollment
23 or has not been enrolled in an educational program for the prior two
24 academic years;

25 (3) "Eligible program of study", a program of instruction:

26 (a) Resulting in the award of a certificate, undergraduate degree,
27 or other industry-recognized credential; and

28 (b) That has been designated by the coordinating board as
29 preparing students to enter an area of occupational shortage as
30 determined by the board;

31 (4) "FAFSA", the Free Application for Federal Student Aid as
32 maintained by the United States Department of Education;

33 (5) "Fast track grant", an amount of moneys paid by the state of
34 Missouri to a student under the provisions of this section;

35 (6) "Graduation", completion of a program of study as indicated
36 by the award of a certificate, undergraduate degree, or other industry-
37 recognized credential;

38 (7) "Qualifying employment", full-time employment of a Missouri
39 resident at a workplace located within the state of Missouri, or self-
40 employment while a Missouri resident, with at least fifty percent of an
41 individual's annual income coming from self-employment, either of
42 which result in required returns of income in accordance with section
43 143.481;

44 (8) "Recipient", an eligible student or renewal student who
45 receives a fast track grant under the provisions of this section;

46 (9) "Renewal student", an eligible student who remains in
47 compliance with the provisions of this section, has received a grant as
48 an initial recipient, maintains a cumulative grade-point average of at
49 least two and one-half on a four-point scale or the equivalent, makes
50 satisfactory academic degree progress as defined by the institution,
51 with the exception of grade-point average, and has not received a
52 bachelor's degree.

53 3. Standards of eligibility for renewed assistance shall be the
54 same as for an initial award of financial assistance; except that, for
55 renewal, an applicant shall demonstrate a grade-point average of two
56 and one-half on a four-point scale, or the equivalent on another scale.

57 4. Eligibility for a grant expires upon the earliest of:

- 58 **(1) Receipt of the grant for four semesters or the equivalent;**
59 **(2) Receipt of a bachelor's degree; or**
60 **(3) Reaching two hundred percent of the time typically required**
61 **to complete the program of study.**

62 **5. The coordinating board shall initially designate eligible**
63 **programs of study by January 1, 2020, in connection with local**
64 **education institutions, regional business organizations, and other**
65 **stakeholders. The coordinating board shall annually review the list of**
66 **eligible programs of study and make changes to the program list as it**
67 **determines appropriate.**

68 **6. The coordinating board shall be the administrative agency for**
69 **the implementation of the program established by this section. The**
70 **coordinating board shall promulgate reasonable rules and regulations**
71 **for the exercise of its functions and the effectuation of the purposes of**
72 **this section. The coordinating board shall prescribe the form and the**
73 **time and method of filing applications and supervise the processing**
74 **thereof. The coordinating board shall determine the criteria for**
75 **eligibility of applicants and shall evaluate each applicant's**
76 **eligibility. The coordinating board shall select qualified recipients to**
77 **receive grants, make such awards of financial assistance to qualified**
78 **recipients, and determine the manner and method of payment to the**
79 **recipients.**

80 **7. The coordinating board shall determine eligibility for renewed**
81 **assistance on the basis of annual applications. As a condition to**
82 **consideration for initial or renewed assistance, the coordinating board**
83 **may require the applicant and the applicant's spouse to execute forms**
84 **of consent authorizing the director of revenue to compare financial**
85 **information submitted by the applicant with the Missouri individual**
86 **income tax returns of the applicant, and the applicant's spouse for the**
87 **taxable year immediately preceding the year for which application is**
88 **made, and to report any discrepancies to the coordinating board.**

89 **8. Grants shall be awarded in an amount equal to the actual**
90 **tuition and general fees charged of an eligible student, after all federal**
91 **nonloan aid, state student aid, and any other governmental student**
92 **financial aid are applied. If a grant amount is reduced to zero due to**
93 **the receipt of other aid, the eligible student shall receive an award of**
94 **up to five hundred dollars or the remaining cost of attendance as**

95 calculated by the institution after all nonloan student aid has been
96 applied, whichever is less, per academic term.

97 9. If appropriated funds are insufficient to fund the program as
98 described, students applying for renewed assistance shall be given
99 priority until all funds are expended.

100 10. A recipient of financial assistance may transfer from one
101 approved public, private, or virtual institution to another without
102 losing eligibility for assistance under this section, but the coordinating
103 board shall make any necessary adjustments in the amount of the
104 award. If a recipient of financial assistance at any time is entitled to
105 a refund of any tuition or fees under the rules and regulations of the
106 institution in which he or she is enrolled, the institution shall pay the
107 portion of the refund that may be attributed to the grant to the
108 coordinating board. The coordinating board shall use these refunds to
109 make additional awards under the provisions of this section.

110 11. Subject to the requirements of subsections 2, 3, and 4 of this
111 section, a student is eligible for a fast track grant under this section if
112 the student meets all of the following criteria:

113 (1) The student has successfully completed counseling explaining
114 the benefits and obligations of the program under this section,
115 including the terms and conditions of the promissory note under
116 subdivision (2) of this subsection and the consequences of
117 noncompliance specified in subsection 13 of this section; and

118 (2) The student executes a promissory note acknowledging that
119 the fast track grant moneys awarded under this section will be
120 converted to a loan, and agreeing to repay that loan if he or she fails
121 to satisfy the following conditions:

122 (a) Maintenance of at least half-time enrollment in an eligible
123 program, with an interruption of qualifying enrollment of no more than
124 twelve consecutive months from the last day of the most recent
125 payment period during which the student received a fast track award;

126 (b) Graduation from an approved institution; and

127 (c) Residency within the state of Missouri within twelve months
128 after the date of the student's graduation and qualifying employment
129 within twelve months of the student's graduation. Residency and
130 qualifying employment obligations may be deferred if the recipient's
131 studies continue after graduation or if the recipient is providing

132 service to any branch of the Armed Forces of the United States.

133 **12. Persons who receive fast track grants under this section shall**
134 **be required to submit proof of residency and qualifying employment to**
135 **the coordinating board for higher education within thirty days of**
136 **completing each twelve months of qualifying employment until the**
137 **employment obligation is fulfilled.**

138 **13. (1) Except as provided in subdivision (2) of this subsection,**
139 **if a student who received a fast track grant under this section fails to**
140 **comply with the terms of the promissory note under subdivision (2) of**
141 **subsection 1 of this section, including failure to satisfy the conditions**
142 **in paragraphs (a), (b), and (c) of such subdivision, the fast track grant**
143 **shall be converted to a loan. This loan shall accrue interest at the**
144 **federal direct loan interest rate for Direct Subsidized Undergraduate**
145 **Loans in effect at the time the student enters the eligible**
146 **program. Interest shall be calculated from the date the recipient enters**
147 **repayment. For a recipient who fulfills some, but not all, of his or her**
148 **three-year residency and employment obligations, the amount of the**
149 **fast track grant that is converted to a loan shall be reduced by one-**
150 **third for each period of twelve months of residency and employment as**
151 **verified by the proof of residency and qualifying employment required**
152 **in subsection 12 of this section.**

153 **(2) The coordinating board for higher education shall provide for**
154 **a waiver under the fast track grant if the grant is not converted to a**
155 **loan under subdivision (1) of this subsection for a student who fails to**
156 **comply with terms of the agreement under paragraphs (a), (b), and (c)**
157 **of subdivision (2) of subsection 11 of this section due to his or her total**
158 **and permanent disability or death, or the total and permanent**
159 **disability or death of his or her spouse or child. The waiver shall**
160 **specify standards for the board's determination of total and permanent**
161 **disability or death standards for the board's determination of total and**
162 **permanent disability or death and a process for seeking a waiver under**
163 **this subsection.**

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

167 **14. The coordinating board for higher education shall establish**
168 **a procedure and guidelines for granting deferments or forbearances of**

169 fast track grants that have converted to loans and are in repayment
170 status for recipients who:

171 (1) Are enrolled at least half-time at an institution of higher
172 education;

173 (2) Experience economic hardship;

174 (3) Have a medical condition limiting their ability to continue
175 repayment, including but not limited to, illness, disability, or
176 pregnancy; or

177 (4) Are providing service to any branch of the Armed Forces of
178 the United States.

179 15. The coordinating board shall establish a procedure and
180 guidelines for granting loan discharge for fast track grants that have
181 been converted to loans and are in repayment for recipients who are
182 unable to fulfill the repayment obligation due to his or her total and
183 permanent disability or death or the total and permanent disability or
184 death of his or her spouse or child.

185 16. (1) There is hereby created in the state treasury the "Fast
186 Track Workforce Incentive Grant Fund". The state treasurer shall be
187 custodian of the fund. In accordance with sections 30.170 and 30.180,
188 the state treasurer may approve disbursements. The fund shall be a
189 dedicated fund and, upon appropriation, moneys in the fund shall be
190 used solely by the coordinating board for the purposes of this section.

191 (2) Notwithstanding the provisions of section 33.080 to the
192 contrary, any moneys remaining in the fund at the end of the biennium
193 shall not revert to the credit of the general revenue fund.

194 (3) The state treasurer shall invest moneys in the fund in the
195 same manner as other funds are invested. Any interest and moneys
196 earned on such investments shall be credited to the fund.

197 17. The coordinating board shall have the authority to
198 promulgate rules to implement the provisions of this section. Any rule
199 or portion of a rule, as that term is defined in section 536.010, that is
200 created under the authority delegated in this section shall become
201 effective only if it complies with and is subject to all of the provisions
202 of chapter 536, and, if applicable, section 536.028. This section and
203 chapter 536 are nonseverable, and if any of the powers vested with the
204 general assembly pursuant to chapter 536 to review, to delay the
205 effective date, or to disapprove and annul a rule are subsequently held

206 **unconstitutional, then the grant of rulemaking authority and any rule**
207 **proposed or adopted after August 28, 2019, shall be invalid and void.**

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