

SENATE BILL NO. 114

INTRODUCED BY M. MOE

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4 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE MONTANA STEM SCHOLARSHIP PROGRAM TO
5 CREATE THE MONTANA STARTS SCHOLARSHIP PROGRAM; PROVIDING ELIGIBILITY REQUIREMENTS
6 AND SCHOLARSHIP PRIORITIZATION CRITERIA; AMENDING SECTIONS 20-26-603, 20-26-614, 20-26-615,
7 20-26-616, 20-26-617, 23-7-202, AND 23-7-402, MCA; AND PROVIDING AN EFFECTIVE DATE."

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9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

10
11 **Section 1.** Section 20-26-603, MCA, is amended to read:
12 **"20-26-603. Definitions.** As used in this part, the following definitions apply:
13 (1) "Accredited" means a school that is accredited by the board of public education pursuant to 20-7-102.
14 (2) "Board" means the board of regents of higher education created by Article X, section 9(2), of the
15 Montana constitution.
16 (3) "Council" means the governor's postsecondary scholarship advisory council created in 2-15-1524.
17 (4) "Montana high school" means an accredited public or nonpublic high school.
18 (5) "Montana private college" means a nonprofit private educational institution:
19 (a) with its main campus and primary operations located within the state; and
20 (b) that offers education on the level of a baccalaureate degree and is accredited for that purpose by a
21 national or regional accrediting agency recognized by the board.
22 (6) "Postsecondary institution" means:
23 (a) a unit of the Montana university system, as defined in 20-25-201;
24 (b) a Montana community college, defined and organized as provided in 20-15-101; or
25 (c) an accredited tribal community college located in the state of Montana.
26 (7) "Scholarship" means a payment toward the cost of attendance at a qualifying postsecondary
27 institution, rounded up to the nearest dollar.
28 ~~—— (8) "STEM or health care major" means a major that is related to science, technology, engineering,~~
29 ~~mathematics, or health care. Specific qualifying majors are identified in board policy.~~
30 (8) "STARTS scholarship" means a scholarship for student teaching awards responding to teacher

1 shortages.

2 (9) "Title IV" refers to Title IV of the Higher Education Act of 1965, as amended."

3

4 **Section 2.** Section 20-26-614, MCA, is amended to read:

5 **"20-26-614. Montana STEM STARTS scholarship program.** (1) There is a Montana STEM STARTS
6 scholarship program. The program is administered by the board through the office of the commissioner of higher
7 education.

8 (2) The purpose of the Montana STEM STARTS scholarship program is to provide an incentive for
9 Montana high school students to prepare for, enter into, and complete degrees in postsecondary fields related
10 to science, technology, engineering, mathematics, and health care, with the goal of increasing the number of
11 STEM degree recipients participating in Montana's workforce Montana university system students seeking student
12 teaching assignments required in their degree programs to select an assignment in a geographical area or subject
13 area in which teacher shortages exist.

14 (3) The board shall adopt policies and procedures for the administration of the Montana STEM STARTS
15 scholarship program consistent with 20-26-614 through 20-26-617."

16

17 **Section 3.** Section 20-26-615, MCA, is amended to read:

18 **"20-26-615. Eligibility requirements -- ineligibility.** (1) To be eligible for the Montana STEM STARTS
19 scholarship, a student must:

20 ~~(a) be a Montana resident who graduated from a Montana high school with a cumulative grade point~~
21 ~~average of at least 3.25;~~

22 ~~_____ (b) be eligible for in-state tuition pursuant to the board's policies;~~

23 ~~_____ (c) have completed a rigorous college preparation program, including 4 years of mathematics and 3~~
24 ~~years of science;~~

25 ~~_____ (d) be enrolled full time in at least 15 credit hours at a postsecondary institution in the fall semester~~
26 ~~immediately following the student's graduation from high school;~~

27 ~~_____ (e) be seeking the student's first certificate or 2-year or 4-year degree at a postsecondary institution; and~~

28 ~~_____ (f) have declared a STEM or health care major as the student's intended course of study~~

29 (a) be enrolled as a full-time student at a unit of the Montana university system;

30 (b) have met the prerequisites for student teaching as determined by the student's teacher preparation

1 program; and

2 (c) have accepted and enrolled in a student teaching assignment in a geographical area or subject area
 3 in which there are teacher shortages, as identified by the Montana board of public education pursuant to
 4 20-4-503.

5 (2) A student is ineligible for the Montana STEM STARTS scholarship if the student:

6 (a) has failed to meet the federal Title IV selective service registration requirements; or

7 (b) is in default on a Title IV or state of Montana educational loan or owes a refund to a federal Title IV
 8 or state of Montana student financial aid program; ~~or~~

9 ~~—— (c) is incarcerated. A student may receive a Montana STEM scholarship upon release if the student~~
 10 ~~meets all other eligibility requirements."~~

11

12 **Section 4.** Section 20-26-616, MCA, is amended to read:

13 **"20-26-616. STEM STARTS scholarship amounts -- renewal requirements.** (1) A student who meets
 14 the requirements of 20-26-615 will receive a ~~\$1,000~~ \$2,500 scholarship for the ~~first academic year~~ semester the
 15 student is enrolled at a postsecondary institution in a full-time student teaching assignment.

16 ~~(2) A student who meets the requirements of this subsection will receive a \$2,000 scholarship for the~~
 17 ~~student's second academic year. To be eligible for the STEM scholarship in the student's second academic year,~~
 18 ~~the student must:~~

19 ~~—— (a) have completed at least 30 credit hours in the first academic year;~~

20 ~~—— (b) have maintained a grade point average of at least 3.0;~~

21 ~~—— (c) be enrolled full time at the postsecondary institution in the current academic year; and~~

22 ~~—— (d) continue to pursue a STEM or health care major.~~

23 ~~(3)~~(2) The board shall adopt a policy regarding the award of scholarships when the funds in the account
 24 established in 20-26-617 are insufficient to fully fund the STEM STARTS scholarship program. The policy must
 25 prioritize scholarships in the following order:

26 ~~(a) Renewals for qualified applicants of scholarships that were previously awarded have the highest~~
 27 ~~priority.~~

28 ~~—— (b) If funds remain after renewal scholarships are awarded pursuant to subsection (3)(a), then the~~
 29 ~~number of new scholarships must be reduced but the individual award amounts must meet the requirements of~~
 30 ~~subsections (1) and (2)~~

1 (a) applicants with student teaching assignments in special education cooperatives or in third-class
 2 districts located 30 miles or more from a city with a population greater than 25,000 people based on the most
 3 recent federal decennial census who will be student teaching in critical need subject areas, as identified by the
 4 Montana board of public education pursuant to 20-4-503;

5 (b) applicants with student teaching assignments in third-class districts located 30 miles or more from
 6 a city with a population greater than 25,000 people based on the most recent federal decennial census;

7 (c) applicants with student teaching assignments in second-class districts located 30 miles or more from
 8 a city with a population greater than 25,000 people based on the most recent federal decennial census who will
 9 be student teaching in critical need subject areas, as identified by the Montana board of public education pursuant
 10 to 20-4-503;

11 (d) applicants with student teaching assignments in second-class districts located 30 miles or more from
 12 a city with a population greater than 25,000 people based on the most recent federal decennial census; and

13 (e) applicants with student teaching assignments in any Montana school who will be student teaching
 14 in critical need subject areas, as identified by the Montana board of public education pursuant to 20-4-503."

15
 16 **Section 5.** Section 20-26-617, MCA, is amended to read:

17 **"20-26-617. Montana STEM STARTS scholarship program state special revenue account.** (1) There
 18 is a Montana STEM STARTS scholarship program account within the state special revenue fund established in
 19 17-2-102. The purpose of the account is to fund the Montana STEM STARTS scholarship program. The account
 20 is administered by the board through the office of the commissioner of higher education.

21 (2) There must be paid into the account the lottery net revenue calculated pursuant to 23-7-402. ~~Every~~
 22 ~~student who is eligible under the provisions of 20-26-615 and 20-26-616 must be awarded a Montana STEM~~
 23 ~~scholarship.~~

24 (3) If the amount in this account is greater than the amount required to fund the scholarships as required
 25 by subsection (2), the excess funds may be carried over and used to fund scholarships in the next fiscal year.

26 (4) The board may use up to 1% of the funds transferred into the account in each fiscal year for costs
 27 related to administering the Montana STEM STARTS scholarship program.

28 (5) This account is statutorily appropriated, as provided in 17-7-502, to the board for the Montana STEM
 29 STARTS scholarship program established in 20-26-614 through 20-26-616."

30

1 **Section 6.** Section 23-7-202, MCA, is amended to read:

2 **"23-7-202. Powers and duties of commission.** The commission shall:

3 (1) establish and operate a state lottery and may not become involved in any other gambling or gaming;

4 (2) determine policies for the operation of the state lottery, supervise the director and the staff, and meet
5 with the director at least once every 3 months to make and consider recommendations, set policies, determine
6 types and forms of lottery games to be operated by the state lottery, and transact other necessary business;

7 (3) maximize the net revenue paid to the state general fund and to the Montana STEM STARTS
8 scholarship program special revenue account under 23-7-402 and ensure that all policies and rules adopted
9 further revenue maximization;

10 (4) subject to 23-7-402(1), determine the percentage of the money paid for tickets or chances to be paid
11 out as prizes;

12 (5) determine the price of each ticket or chance and the number and size of prizes;

13 (6) provide for the conduct of drawings of winners of lottery games;

14 (7) carry out, with the director, a continuing study of the state lotteries of Montana and other states to
15 make the state lottery more efficient, profitable, and secure from violations of the law;

16 (8) study and may enter into agreements with:

17 (a) other lottery states and countries to offer lottery games; or

18 (b) an association for the purpose of participating in multistate lottery games or games offered in other
19 states and other countries;

20 (9) prepare quarterly and annual reports on all aspects of the operation of the state lottery, including but
21 not limited to types of games, gross revenue, prize money paid, operating expenses, net revenue to the state,
22 contracts with gaming suppliers, and recommendations for changes to this part, and deliver a copy of each report
23 to the governor, the department of administration, the legislative auditor, the president of the senate, the speaker
24 of the house of representatives, and each member of the appropriate committee of each house of the legislature
25 as determined by the president of the senate and the speaker of the house; and

26 (10) adopt rules relating to lottery staff sales incentives or bonuses and sales agents' commissions and
27 any other rules necessary to carry out this part."

28

29 **Section 7.** Section 23-7-402, MCA, is amended to read:

30 **"23-7-402. (Temporary) Disposition of revenue.** (1) A minimum of 45% of the money paid for tickets

1 or chances must be paid out as prize money. The prize money is statutorily appropriated, as provided in
2 17-7-502, to the lottery.

3 (2) Commissions paid to lottery ticket or chance sales agents are not a state lottery operating expense.

4 (3) Lottery contractor fees, which are fees paid to contracted lottery vendors based on sales, must be
5 paid from the state lottery enterprise fund. The money to pay lottery contractor fees is statutorily appropriated,
6 as provided in 17-7-502, to the lottery.

7 (4) ~~(a) Except as provided in subsection (4)(b), that~~ That part of all gross revenue not used for the
8 payment of prizes, commissions, and operating expenses, together with the interest earned on the gross revenue
9 while the gross revenue is in the enterprise fund, is net revenue. Net revenue must be transferred quarterly from
10 the enterprise fund established by 23-7-401 to the state general fund. Once the amount of net revenue transferred
11 to the general fund during a fiscal year equals the amount transferred to the general fund in fiscal year 2015, any
12 additional net revenue must be transferred to the Montana STEM STARTS scholarship program special revenue
13 account established in 20-26-617.

14 ~~(b) For fiscal year 2016, prior to any net revenue being transferred to the general fund from the enterprise~~
15 ~~fund, \$400,000 of net revenue must be transferred from the enterprise fund to the Montana STEM scholarship~~
16 ~~special revenue account established in 20-26-617 for the purpose of distributing STEM scholarships pursuant~~
17 ~~to 20-26-614 through 20-26-617 during the 2015-2016 school year.~~

18 (5) The spending authority of the lottery may be increased in accordance with this section upon review
19 and approval of a revised operation plan by the office of budget and program planning. (Terminates June 30,
20 2019--sec. 3, Ch. 2, L. 2013.)

21 **23-7-402. (Effective July 1, 2019) Disposition of revenue.** (1) A minimum of 45% of the money paid
22 for tickets or chances must be paid out as prize money. The prize money is statutorily appropriated, as provided
23 in 17-7-502, to the lottery.

24 (2) Commissions paid to lottery ticket or chance sales agents are not a state lottery operating expense.

25 (3) That part of all gross revenue not used for the payment of prizes, commissions, and operating
26 expenses, together with the interest earned on the gross revenue while the gross revenue is in the enterprise
27 fund, is net revenue. Net revenue must be transferred quarterly from the enterprise fund established by 23-7-401
28 to the state general fund. Once the amount of net revenue transferred to the general fund during a fiscal year
29 equals the amount transferred to the general fund in fiscal year 2015, any additional net revenue must be
30 transferred to the Montana STEM STARTS scholarship program special revenue account established in

1 20-26-617.

2 (4) The spending authority of the lottery may be increased in accordance with this section upon review
3 and approval of a revised operation plan by the office of budget and program planning."

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5 NEW SECTION. **Section 8. Effective date.** [This act] is effective July 1, 2017.

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