

## 1 SENATE BILL NO. 343

2 INTRODUCED BY S. O'BRIEN

3

4 A BILL FOR AN ACT ENTITLED: "AN ACT ESTABLISHING THE MONTANA TEC SCHOLARSHIP  
5 PROGRAM; PROVIDING ELIGIBILITY REQUIREMENTS AND AWARD AMOUNTS; UTILIZING LOTTERY  
6 PROCEEDS TO FUND THE PROGRAM; AMENDING SECTIONS 20-26-617 AND 23-7-402, MCA; AND  
7 PROVIDING AN EFFECTIVE DATE."

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

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11 NEW SECTION. **Section 1. Montana TEC scholarship program -- purpose.** (1) There is a Montana  
12 TEC or technical education and career scholarship program. The program is administered by the board through  
13 the office of the commissioner of higher education.

14 (2) The purpose of the Montana TEC scholarship program is to incentivize high school students to  
15 enroll in career and technical education dual credit courses and achieve a postsecondary career and technical  
16 education credential.

17 (3) The board shall adopt policies and procedures for the administration of the Montana TEC  
18 scholarship program consistent with this part.

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20 NEW SECTION. **Section 2. TEC scholarships -- eligibility -- amount.** (1) To be eligible for the  
21 Montana TEC scholarship, a student must:

22 (a) be a Montana resident who graduated from a Montana high school;

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

24 (c) have completed two dual credit career and technical education courses while attending a Montana  
25 high school;

26 (d) be enrolled for at least 12 credits each semester and be making satisfactory progress in a  
27 certificate or 2-year career and technical education program at a unit of the Montana university system or a  
28 Montana community college; and

- 1 (e) be seeking the student's first certificate or degree at a postsecondary institution.
- 2 (2) A student is ineligible for the Montana TEC scholarship if the student:
- 3 (a) is receiving a Montana STEM scholarship;
- 4 (b) has failed to meet the federal Title IV selective service registration requirements;
- 5 (c) is in default on a Title IV or state of Montana educational loan or owes a refund to a federal Title IV
- 6 or state of Montana student financial aid program; or
- 7 (d) is incarcerated. A student may receive a Montana TEC scholarship on release if the student meets
- 8 all other eligibility requirements.
- 9 (3) Beginning in fiscal year 2023, an eligible student must be awarded a scholarship during the first
- 10 year of the student's enrollment of \$1,000 for each semester the student is enrolled in 12 or more credits.
- 11 (4) The legislature intends scholarships to be awarded at the full amounts provided for in this section.
- 12 If the funds in the account established in 20-26-617 are insufficient to fully fund the program for a year,
- 13 scholarships must be prorated and awarded pursuant to 20-26-617(4).

14

15 **Section 3.** Section 20-26-617, MCA, is amended to read:

16 **"20-26-617. Montana STEM and TEC scholarship program state special revenue account. (1)**

17 There is a Montana STEM and TEC scholarship program state special revenue account within the state special

18 revenue fund established in 17-2-102. The purpose of the account is to fund the Montana STEM ~~scholarship~~

19 ~~program~~ and TEC scholarship programs. The account is administered by the board through the office of the

20 commissioner of higher education.

21 (2) There must be paid into the account the lottery net revenue calculated pursuant to 23-7-402.

22 (3) If the amount in this account is greater than the amount required to fund the scholarships in the

23 amounts required by 20-26-616 and [section 2], the excess funds must be carried over and used to fund

24 scholarships in the next fiscal year.

25 (4) If the amount in this account is less than required to fully fund the scholarships as required by 20-

26 26-616 and [section 2], the board may prorate the amount of individual scholarships so that each eligible

27 student still receives a Montana STEM or TEC scholarship.

28 (5) The board may use up to 1% of the funds transferred into the account in each fiscal year for costs

1 related to administering the Montana STEM ~~scholarship program~~ and TEC scholarship programs.

2 (6) This account is statutorily appropriated, as provided in 17-7-502, to the board for the Montana  
3 STEM and TEC scholarship program established in this part."  
4

5 **Section 4.** Section 23-7-402, MCA, is amended to read:

6 **"23-7-402. (Temporary) Disposition of revenue.** (1) A minimum of 45% of the money paid for  
7 tickets, chances, wagers, or bets must be paid out as prize money. The prize money is statutorily appropriated,  
8 as provided in 17-7-502, to the state lottery.

9 (2) Commissions paid to lottery sales agents are not a state lottery operating expense.

10 (3) That part of all gross revenue not used for the payment of prizes, commissions, and operating  
11 expenses, together with the interest earned on the gross revenue while the gross revenue is in the enterprise  
12 fund, is net revenue. Net revenue must be transferred quarterly from the enterprise fund established by 23-7-  
13 401 in the following order:

14 ~~(a) (i) The first \$500,000 of net revenue in fiscal year 2020 must be transferred quarterly in equal~~  
15 ~~payments of \$125,000 to the Montana STEM scholarship program special revenue account established in 20-~~  
16 ~~26-617; and~~

17 ~~(ii) net revenue in excess of \$500,000 in fiscal year 2020 must be transferred to the state general fund.~~

18 ~~(b) (i) The first \$1 million of net revenue in fiscal year 2021 must be transferred quarterly in equal~~  
19 ~~payments of \$250,000 to the Montana STEM scholarship program special revenue account established in 20-~~  
20 ~~26-617; and~~

21 ~~(ii) net revenue in excess of \$1 million in fiscal year 2021 must be transferred to the state general fund.~~

22 ~~(c)~~(a) (i) The first ~~\$1.5~~ \$2 million of net revenue in fiscal year 2022 must be transferred quarterly in  
23 equal payments of ~~\$375,000~~ \$500,000 to the Montana STEM and TEC scholarship program special revenue  
24 account established in 20-26-617; and

25 (ii) net revenue in excess of ~~\$1.5~~ \$2 million in fiscal year 2022 must be transferred to the state general  
26 fund.

27 ~~(d)~~(b) (i) The first ~~\$2~~ \$3 million of net revenue in fiscal year 2023 must be transferred quarterly in  
28 equal payments of ~~\$500,000~~ \$750,000 to the Montana STEM and TEC scholarship program special revenue

1 account established in 20-26-617; and

2 (ii) net revenue in excess of ~~\$2~~ \$3 million in fiscal year 2023 must be transferred to the state general  
3 fund.

4 ~~(e)(c)~~ (i) The first ~~\$2.25~~ \$3.25 million of net revenue in fiscal year 2024 and subsequent fiscal years  
5 must be transferred quarterly in equal payments of ~~\$562,500~~ \$812,500 to the Montana STEM and TEC  
6 scholarship program special revenue account established in 20-26-617; and

7 (ii) net revenue in excess of ~~\$2.25~~ \$3.25 million in fiscal year 2024 and subsequent fiscal years must  
8 be transferred to the state general fund.

9 (4) The spending authority of the state lottery may be increased in accordance with this section upon  
10 review and approval of a revised operation plan by the office of budget and program planning. (Terminates  
11 June 30, 2023--sec. 20, Ch. 300, L. 2019.)

12 **23-7-402. (Effective July 1, 2023) Disposition of revenue.** (1) A minimum of 45% of the money paid  
13 for tickets or chances must be paid out as prize money. The prize money is statutorily appropriated, as provided  
14 in 17-7-502, to the state lottery.

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

17 (3) That part of all gross revenue not used for the payment of prizes, commissions, and operating  
18 expenses, together with the interest earned on the gross revenue while the gross revenue is in the enterprise  
19 fund, is net revenue. Net revenue must be transferred quarterly from the enterprise fund established by 23-7-  
20 401 in the following order:

21 (a) the first ~~\$2.25~~ \$3.25 million of net revenue in each fiscal year must be transferred quarterly in  
22 equal payments of ~~\$562,500~~ \$812,500 to the Montana STEM and TEC scholarship program special revenue  
23 account established in 20-26-617; and

24 (b) net revenue in excess of ~~\$2.25~~ \$3.25 million in each fiscal year must be transferred to the state  
25 general fund.

26 (4) The spending authority of the state lottery may be increased in accordance with this section upon  
27 review and approval of a revised operation plan by the office of budget and program planning."  
28

1            **NEW SECTION. Section 5. Codification instruction.** [Sections 1 and 2] are intended to be codified  
2 as an integral part of Title 20, chapter 26, part 6, and the provisions of Title 20, chapter 26, part 6, apply to  
3 [sections 1 and 2].

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5            **NEW SECTION. Section 6. Effective date.** [This act] is effective July 1, 2021.

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