

1 AN ACT relating to scholarships.

2 ***Be it enacted by the General Assembly of the Commonwealth of Kentucky:***

3 ➔Section 1. KRS 164.769 is amended to read as follows:

4 (1) It is the intent of the General Assembly to establish a teacher scholarship program
5 to assist highly qualified individuals to become certified Kentucky teachers and
6 render teaching service in Kentucky schools.

7 (2) For purposes of this section, the terms listed below shall have the following
8 meanings:

9 (a)~~["Critical shortage area" means an understaffing of teachers in particular~~
10 ~~subject matters at the secondary level, in grade levels, or in geographic~~
11 ~~locations at the elementary and secondary level, as determined by the~~
12 ~~commissioner of education in consultation with the authority. The~~
13 ~~commissioner and the authority may use any source considered reliable,~~
14 ~~including but not limited to local education agencies, to identify the critical~~
15 ~~shortage areas;~~

16 (b)~~]~~ "Dual credit" has the same meaning as in KRS 158.007;

17 (b)~~(c)~~ "Eligible program of study" means an undergraduate or graduate
18 program of study which is preparatory to teacher certification;{

19 (d)~~["Expected family contribution" means the amount that a student and his~~
20 ~~family are expected to contribute toward the cost of the student's education~~
21 ~~determined by applying methodology set forth in 20 U.S.C. sec. 1087 kk to~~
22 ~~1087 vv;]~~

23 (c)~~(e)~~ "Participating institution" means an institution of higher education
24 located in Kentucky which offers an eligible program of study and has in
25 force an agreement with the authority providing for administration of this
26 program;{

27 (f)~~["Qualified teaching service" means teaching the major portion of each school~~

1 day for at least seventy (70) days each semester in a public school of the
2 Commonwealth or a private school certified pursuant to KRS 156.160(3);
3 except that an individual having a disability defined by Title II of the
4 Americans with Disabilities Act (42 U.S.C. secs. 12131 et seq.) or serious and
5 extended illness, whose disability or illness, certified by a licensed physician,
6 prevents that individual from teaching a major portion of each school day,
7 shall be deemed to perform qualified teaching service by teaching the
8 maximum time permitted by the attending physician;]

9 (d)[(g)] "Semester" means a period of about eighteen (18) weeks, which usually
10 makes up one-half (1/2) of a school year or one-half (1/2) of a participating
11 institution's academic year; and

12 (e)[(h)] "Summer term" means an academic period consisting of one (1) or more
13 sessions of instruction between a spring and a fall semester.

14 (3) The authority may[, to the extent of appropriations and other funds available to it
15 pursuant to subsection (9) of this section,] award teacher scholarships to persons
16 eligible under subsection (4) of this section[,] who initially demonstrate financial
17 need in accordance with standards and criteria established by the authority or
18 received teacher scholarships pursuant to this section prior to July 1, 1996.[Each
19 teacher scholarship shall be evidenced by a promissory note that requires repayment
20 or cancellation pursuant to subsection (6) of this section.]

21 (4) Kentucky residents who are United States citizens and enrolled or accepted for
22 enrollment in an eligible program of study at a participating institution shall be
23 eligible to apply for and be awarded teacher scholarships. Teacher scholarships
24 shall first be awarded to highly qualified eligible students who meet standards and
25 requirements established by the Education Professional Standards Board pursuant
26 to KRS 161.028 for admission to a teacher education program at a participating
27 institution in pursuit of initial teacher certification.[If funds are not depleted after

1 ~~awarding teacher scholarships to students who meet the preceding criteria, then~~
2 ~~awards shall be made to any otherwise eligible students.]~~

3 (5) The authority shall establish, by administrative regulation, the maximum amount of
4 scholarship to be awarded for each semester and summer term under this section,
5 **which shall not exceed the highest in-state tuition rate for a teacher preparation**
6 **program at a Kentucky public university.** The amount of each scholarship to be
7 awarded shall not exceed the applicant's total cost of education minus other
8 financial assistance received or expected to be received by the applicant during the
9 academic period.

10 (6) ~~[(a)]~~ The authority shall disburse teacher scholarships to eligible students who
11 ~~[agree to render qualified teaching service as certified teachers, and]~~ are
12 unconditionally admitted and enrolled in an eligible program of study. ~~]~~

13 ~~(b) A teacher scholarship shall not be awarded or a promissory note cancellation shall~~
14 ~~not be granted to any person who is in default on any obligation to the authority~~
15 ~~under any program administered by the authority pursuant to KRS 164.740 to~~
16 ~~164.785 until financial obligations to the authority are satisfied, except that~~
17 ~~ineligibility for this reason may be waived by the authority for cause.~~

18 ~~(c) Recipients shall render one (1) semester of qualified teaching service for each~~
19 ~~semester or summer term of scholarship received, except that recipients who teach~~
20 ~~in a critical shortage area designated by the authority or teach dual credit~~
21 ~~coursework in a certified Kentucky high school shall render one (1) semester of~~
22 ~~qualified teaching service as repayment for two (2) semesters or summer terms of~~
23 ~~scholarships received. Upon completion of each semester of qualified teacher~~
24 ~~service, the authority shall cancel the appropriate number of promissory notes.~~

25 ~~(d) If the recipient of a teacher scholarship fails to complete an eligible program of~~
26 ~~study at a participating institution or fails to render qualified teaching service in any~~
27 ~~semester following certification or recertification, unless the failure is temporarily~~

1 ~~waived for cause by the authority, the recipient shall immediately become liable to~~
2 ~~the authority for repayment of the sum of all outstanding promissory notes and~~
3 ~~accrued interest. Persons liable for repayment of scholarships under this paragraph~~
4 ~~shall be liable for interest accruing from the dates on which the teacher scholarships~~
5 ~~were disbursed.~~

6 ~~(e) Recipients who have outstanding loans or scholarships under KRS 156.611,~~
7 ~~156.613, 164.768, or 164.770 respectively, and who render qualified teaching~~
8 ~~service, shall have their notes canceled in accordance with subsection (6)(c) of this~~
9 ~~section.~~

10 ~~(f) The authority shall establish, by administrative regulation, the terms and conditions~~
11 ~~for the award, cancellation, and repayment of teacher scholarships including, but~~
12 ~~not limited to, the selection criteria, eligibility for renewal awards, amount of~~
13 ~~scholarship payments, deferments, the rate of repayment, and the interest rate~~
14 ~~thereon.~~

15 ~~(g) Notwithstanding any other statute to the contrary, the maximum interest rate~~
16 ~~applicable to repayment of a promissory note under this section shall be eight~~
17 ~~percent (8%) per annum, except that if a judgment is rendered to recover payment,~~
18 ~~the judgment shall bear interest at the rate of five percent (5%) greater than the rate~~
19 ~~actually charged on the promissory note.~~

20 ~~(7) A repayment obligation imposed by this section shall not be voidable by reason of~~
21 ~~the age of the recipient at the time of receiving the teacher scholarship.~~

22 ~~(8) Failure to meet repayment obligations imposed by this section shall be cause for the~~
23 ~~revocation of a person's teaching certificate, subject to the procedures set forth in~~
24 ~~KRS 161.120.~~

25 ~~(9) All moneys repaid to the authority under this section shall be added to the~~
26 ~~appropriations made for purposes of this section, and the funds and unobligated~~
27 ~~appropriations shall not lapse.~~

1 ~~(10) The authority may execute appropriate contracts and promissory notes for~~
2 ~~administering this section.]~~

3 ~~(7)(11)~~ Notwithstanding any other statute to the contrary, if available funds are
4 insufficient for all requested scholarships for eligible applicants during any fiscal
5 year, the authority shall give priority consideration to eligible applicants who
6 previously received teacher scholarships~~[and, until June 30, 2018, to loan~~
7 ~~forgiveness for teachers who have outstanding loan balance eligibility for Best in~~
8 ~~Class loans issued prior to June 30, 2008]~~. If funds are insufficient to make all
9 requested renewal scholarships to eligible applicants, the authority shall reduce all
10 scholarship awards to the extent necessary to provide scholarships to all qualified
11 renewal applicants. If, after awarding all eligible renewal applicants, funds are not
12 depleted, initial applications shall be ranked according to regulatory selection
13 criteria, which may include ~~[expected family contribution and]~~ application date, and
14 awards shall be made to highly qualified applicants until funds are depleted.

15 ~~(8)(12)~~ The authority shall submit a report on the number of teacher scholarships
16 provided in each fiscal year, the program of study in which recipients are enrolled,
17 recipient retention rates, total number of applications, and scholarship recruitment
18 strategies to the Legislative Research Commission for referral to the appropriate
19 Interim Joint Committee on Education by December 1 of each year.

20 **(9) The repayment obligation of any student that received funds under this program**
21 **shall be null and void.**

22 ➔Section 2. KRS 164.786 is amended to read as follows:

23 (1) For purposes of this section:

24 (a) "Academic term" means the fall or spring academic semester;

25 (b) "Academic year" means July 1 through June 30 of each year;

26 (c) "Approved dual credit course" means a dual credit course developed in
27 accordance with KRS 164.098 and shall include:

- 1.** General education courses **that meet the criteria outlined in the statewide general education core approved by the Council on Postsecondary Education;** and
- 2.** Career and technical education courses within a career pathway approved by the Kentucky Department of Education that leads to an industry-recognized credential;
- (d) "Authority" means the Kentucky Higher Education Assistance Authority;
- (e) "Dual credit" has the same meaning as in KRS 158.007;
- (f) "Dual credit tuition rate ceiling" means one-third (1/3) of the per credit hour tuition amount, **rounded down to the nearest whole dollar,** charged by the Kentucky Community and Technical College System for in-state students;
- (g) "Eligible high school student" means a student who:
1. Is a Kentucky resident;
 2. Is enrolled in a Kentucky high school~~[as a senior or junior]~~;
 3. Has completed a thirty (30) minute college success counseling session; and
 4. Is enrolled, or accepted for enrollment, in an approved dual credit course at a participating institution;
- (h) "Participating institution" means a postsecondary institution that:
1. Has an agreement with the authority for the administration of the Dual Credit Scholarship Program;
 2. Charges no more than the dual credit tuition rate ceiling per credit hour, including any additional fees, for any **approved** dual credit course it offers to any Kentucky public or nonpublic high school student;
 3. Does not charge any tuition or fees to an eligible high school student for an approved dual credit course beyond what is paid by the Dual Credit Scholarship Program when the course is not successfully completed; and

- 1 4. Is a:
- 2 a. Kentucky Community and Technical College System institution;
- 3 b. Four (4) year Kentucky public college or university; or
- 4 c. Four (4) year private college or university that is accredited by the
- 5 Southern Association of Colleges and Schools and whose main
- 6 campus is located in Kentucky; and
- 7 (i) "Successfully completed" means a student receiving both secondary and
- 8 postsecondary credit upon completion of an approved dual credit course.
- 9 (2) To promote dual credit coursework opportunities at no cost to eligible Kentucky
- 10 high school students, the General Assembly hereby establishes the Dual Credit
- 11 Scholarship Program.
- 12 (3) In consultation with the **Council on Postsecondary Education and the Kentucky**
- 13 **Department of** Education ~~and Labor Cabinet~~, the authority shall administer the
- 14 Dual Credit Scholarship Program and shall promulgate administrative regulations in
- 15 accordance with KRS Chapter 13A as may be needed for the administration of the
- 16 program.
- 17 (4) (a) Each high school shall apply to the authority for dual credit scholarship funds
- 18 for each eligible high school student.
- 19 (b) The authority may award a dual credit scholarship to an eligible high school
- 20 student for an academic term **on a first-come, first-served basis by**
- 21 **application date**, to the extent funds are available for that purpose ~~except~~
- 22 ~~that a scholarship shall be awarded to an eligible high school senior prior to~~
- 23 ~~awarding an eligible high school junior~~.
- 24 (c) An eligible high school student may receive a dual credit scholarship for a
- 25 maximum of:
- 26 **1.** Two (2) **career and technical education** ~~successfully completed~~ dual
- 27 credit courses **per academic year**~~;~~

1 2. Two (2) general education dual credit courses over the junior and
2 senior year; and

3 3. For eligible high school students in a teaching and learning career
4 pathway, twenty (20) dual credit courses.

5 (d) The dual credit scholarship award amount shall be equal to the amount
6 charged by a participating institution, not to exceed the dual credit tuition rate
7 ceiling for each dual credit hour, except the scholarship amount shall be
8 reduced by fifty percent (50%) if the dual credit course is not successfully
9 completed by the student.

10 (e) Dual credit scholarship funds shall not be used for remedial or developmental
11 coursework.

12 (5) Each participating institution shall submit information each academic term to the
13 authority required for the administration of the scholarship as determined by the
14 authority.

15 (6) ~~[Beginning August 1, 2017, and each year thereafter,]~~The authority shall provide
16 an annual~~[a]~~ report to the secretary of the Education and Labor Cabinet, the
17 president of the Council on Postsecondary Education, and the commissioner of the
18 Kentucky Department of Education to include:

19 (a) The number of students, by local school district and in total, served by the
20 Dual Credit Scholarship Program; and

21 (b) The number of dual credits earned by students by high school and in total.

22 (7) By May 31 ~~of, 2019, and~~ each year~~[thereafter],~~ the Kentucky Center for~~[~~
23 ~~Education and Workforce]~~ Statistics, in collaboration with the authority, shall
24 publish data on the Dual Credit Scholarship Program's academic and workforce
25 outcomes. The center shall annually provide a report on the data to the Legislative
26 Research Commission for referral to the appropriate Interim Joint Committee on
27 Education.

- 1 (8) (a) The Dual Credit Scholarship Program trust fund is hereby created as a trust
2 fund in the State Treasury to be administered by the Kentucky Higher
3 Education Assistance Authority for the purpose of providing scholarships
4 described in this section.
- 5 (b) The trust fund shall consist of state general fund appropriations, gifts and
6 grants from public and private sources, and federal funds. All moneys
7 included in the fund shall be appropriated for the purposes set forth in this
8 section.
- 9 (c) Any ~~unallotted~~unallotted or unencumbered balances in the trust fund shall be
10 invested as provided in KRS 42.500(9). Income earned from the investments
11 shall be credited to the trust fund.
- 12 (d) Notwithstanding KRS 45.229, any fund balance at the close of the fiscal year
13 shall not lapse but shall be carried forward to the next fiscal year and
14 continuously appropriated only for the purposes specified in this section.
- 15 ➔Section 3. KRS 164.787 is amended to read as follows:
- 16 (1) The General Assembly hereby establishes the Work Ready Kentucky Scholarship
17 Program to ensure that all Kentuckians who have not yet earned a postsecondary
18 degree have affordable access to an industry-recognized certificate, diploma, or
19 associate of applied science degree and, for students with intellectual disabilities
20 enrolled in comprehensive transition and postsecondary programs, affordable
21 access to meaningful credentials to prepare for competitive integrated employment.
- 22 (2) For purposes of this section:
- 23 (a) "Academic term" means a fall, spring, or summer academic term or other time
24 period specified in an administrative regulation promulgated by the authority;
- 25 (b) "Academic year" means July 1 through June 30 of each year;
- 26 (c) ~~["Approved dual credit course" means a dual credit course developed in~~
27 ~~accordance with KRS 164.098 that is a career and technical education course~~

1 ~~within a career pathway approved by the Kentucky Department of Education~~
2 ~~that leads to an industry-recognized credential;~~

3 ~~(d) "Dual credit tuition rate ceiling" means the same as defined in 164.786;~~

4 ~~(e)~~ "Eligible institution" means an institution as defined in KRS 164.001 that:

- 5 1. Actively participates in the federal Pell Grant program;
- 6 2. Executes a contract with the authority on terms the authority deems
7 necessary or appropriate for the administration of its programs; and
- 8 3. ~~[Charges no more than the dual credit tuition rate ceiling per credit hour,~~
9 ~~including any additional fees, for any dual credit course it offers to any~~
10 ~~Kentucky public or nonpublic high school student; and~~
- 11 4. ~~Is a:~~

- 12 a. Kentucky Community and Technical College System institution;
- 13 b. Kentucky public university; or
- 14 c. College, university, or vocational-technical school that is
15 accredited by a recognized regional or national accrediting body
16 and licensed to operate at a site in Kentucky;

17 ~~(d)~~(f) "Eligible program of study" means a program approved by the authority
18 that leads to an industry-recognized certificate, diploma, or associate of
19 applied science degree in one (1) of Kentucky's top five (5) high-demand
20 workforce sectors identified by the Kentucky Workforce Innovation Board
21 and the Education and Labor Cabinet or a program of study in a
22 comprehensive transition and postsecondary program that leads to a
23 credential, certificate, diploma, or degree;

24 ~~(e)~~(g) "Fees" means mandatory fees charged by an eligible institution for
25 enrollment in a course, including but not limited to online course fees, lab
26 fees, and administrative fees. "Fees" does not include tools, books, or other
27 instructional materials that may be required for a course; and

1 ~~(f)(h)~~ "Tuition" means the in-state tuition charged to all students as a condition
2 of enrollment in an eligible institution.

3 (3) In consultation with the Education and Labor Cabinet, ~~the Kentucky Department of~~
4 ~~Education,~~ and the Council on Postsecondary Education, the Kentucky Higher
5 Education Assistance Authority shall administer the Work Ready Kentucky
6 Scholarship Program and promulgate administrative regulations in accordance with
7 KRS Chapter 13A as may be needed for the administration of the scholarship.

8 (4) ~~[An eligible high school student shall:~~

9 ~~(a) Be a Kentucky resident;~~

10 ~~(b) Be enrolled in a Kentucky high school;~~

11 ~~(c) Be enrolled, or accepted for enrollment, in an approved dual credit course at~~
12 ~~an eligible institution; and~~

13 ~~(d) Complete and submit a Work Ready Kentucky Scholarship dual credit~~
14 ~~application to the authority.~~

15 ~~(5) [An eligible workforce student shall:~~

16 (a) Be a citizen or permanent resident of the United States;

17 (b) Be a Kentucky resident as determined by the eligible institution in accordance
18 with criteria established by the Council on Postsecondary Education for the
19 purposes of admission and tuition assessment;

20 (c) 1. Have earned a high school diploma or a High School Equivalency
21 Diploma or be enrolled in a High School Equivalency Diploma
22 program; or

23 2. For a student enrolled in a comprehensive transition and postsecondary
24 program, have received an alternative high school diploma described in
25 KRS 158.140(2)(b) or have attended a Kentucky public high school and
26 is a student with an intellectual disability as defined in 34 C.F.R. sec.
27 668.231;

- 1 (d) Not have earned an associate's degree or higher level postsecondary degree;
- 2 (e) Complete the Free Application for Federal Student Aid for the academic year
- 3 in which the scholarship is awarded;
- 4 (f) Complete and submit a Work Ready Kentucky Scholarship application to the
- 5 authority;
- 6 (g) Enroll in an eligible program of study at an eligible institution;
- 7 (h) Not be enrolled in an ineligible degree program, such as a bachelor or
- 8 unapproved associate program, at any postsecondary institution;
- 9 (i) Following the first academic term scholarship funds are received, achieve and
- 10 maintain satisfactory academic progress as determined by the eligible
- 11 institution; and
- 12 (j) Not be in default on any program under Title IV of the federal act or any
- 13 obligation to the authority under any program administered by the authority
- 14 under KRS 164.740 to 164.7891 or 164.7894, except that ineligibility for this
- 15 reason may be waived by the authority for cause.
- 16 ~~(5)(6)~~ (a) ~~Beginning with the 2019-2020 academic year,~~ The authority shall
- 17 award a Work Ready Kentucky Scholarship each academic term to any person
- 18 who meets the requirements of this section to the extent funds are available
- 19 for that purpose.
- 20 (b) The scholarship amount awarded to an eligible workforce student for an
- 21 academic term shall be the amount remaining after subtracting the student's
- 22 federal and state grants and scholarships from the maximum scholarship
- 23 amount. The maximum scholarship amount shall be the per credit hour in-
- 24 state tuition rate at the Kentucky Community and Technical College System
- 25 multiplied by the number of credit hours in which the student is enrolled and
- 26 the fees charged to the student. The authority shall promulgate an
- 27 administrative regulation in accordance with KRS Chapter 13A to specify the

1 maximum amount to be awarded for fees~~[, except that for the 2019-2020~~
2 ~~academic year the amount awarded for fees shall not exceed four hundred~~
3 ~~dollars (\$400)].~~

4 ~~(c) The scholarship award for an eligible high school student shall be limited to~~
5 ~~two (2) approved dual credit courses per academic year. The scholarship~~
6 ~~amount awarded shall be equal to the amount charged by an eligible~~
7 ~~institution for an approved dual credit course, in accordance with subsection~~
8 ~~(2)(c)3. of this section].~~

9 ~~(6)(7)~~ (a) Except as provided in paragraph (b) of this subsection, an eligible
10 workforce student's eligibility for the scholarship shall terminate upon the
11 earlier of:

- 12 1. Receiving the scholarship for a total of sixty (60) credit hours; or
- 13 2. Obtaining an associate's degree.

14 (b) For an eligible workforce student enrolled in a comprehensive transition and
15 postsecondary program, eligibility for the scholarship shall terminate upon the
16 earlier of completing the program or receiving the scholarship for up to nine
17 (9) academic terms within three (3) academic years.

18 ~~(7)(8)~~ The authority shall annually provide a report on the Work Ready Kentucky
19 Scholarship Program, prepared in collaboration with the Kentucky Center~~[Office]~~
20 ~~for Education and Workforce]~~ Statistics, to the secretary of the Education and
21 Labor Cabinet and the Legislative Research Commission for referral to the
22 appropriate Interim Joint Committee on Education that includes, by academic
23 term, academic year, institution, and workforce sector, the number of:

- 24 (a) Students served by the scholarship and the total amount disbursed;
- 25 (b) Credits, certificates, diplomas, and associate of applied science degrees earned
26 by students receiving the scholarship; and
- 27 (c) Students receiving the scholarship who are enrolled in a comprehensive

1 transition and postsecondary program and credentials earned by those
2 students.

3 ~~(8)~~~~(9)~~ The authority shall report Work Ready Kentucky Scholarship program data to
4 the Kentucky Center~~[Office]~~ for~~[Education and Workforce]~~ Statistics for analysis
5 of the program's success in meeting the goal of increasing skilled workforce
6 participation rates.

7 ~~(9)~~~~(10)~~ (a) The Work Ready Kentucky Scholarship fund is hereby created as a trust
8 fund in the State Treasury to be administered by the authority for the purpose
9 of providing scholarships as described in this section.

10 (b) The trust fund shall consist of state general fund appropriations, gifts and
11 grants from public and private sources, and federal funds. All moneys
12 included in the fund shall be appropriated for the purposes set forth in this
13 section.

14 (c) Any unallotted or unencumbered balances in the trust fund shall be invested
15 as provided in KRS 42.500(9). Income earned from the investments shall be
16 credited to the trust fund.

17 (d) Notwithstanding KRS 45.229, any fund balance at the close of the fiscal year
18 shall not lapse but shall be carried forward to the next fiscal year and
19 continuously appropriated only for the purposes specified in this section.

20 ➔Section 4. The following KRS section is repealed:

21 164.771 Teacher Recruitment Student Loan Forgiveness Pilot Program -- Procedures --
22 Repayment obligations -- Reporting requirements -- Fund.

23 ➔Section 5. On and after June 30, 2026, funds appropriated to the Teacher
24 Recruitment Student Loan Forgiveness Pilot Program shall not lapse but shall be
25 disbursed though the teacher scholarship program established in Section 1 of this Act.

26 ➔Section 6. Notwithstanding any provision of law to the contrary, the repayment
27 obligation of any student who received funds under the Teacher Recruitment Student

- 1 Loan Forgiveness Pilot Program under KRS 164.771 shall be null and void
- 2 ➔Section 7. Section 4 of this Act takes effect June 30, 2026.