

1 AN ACT relating to student financial aid.

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

3 → Section 1. KRS 164.767 is amended to read as follows:

4 ***Until five (5) years after completion of a person's sentence, no person shall be eligible***
 5 ***for any program authorized under KRS 164.740 to 164.790 who was convicted of or***
 6 ***pled guilty to:***

7 ***(1) A violent offense as described in KRS 439.3401;***

8 ***(2) Aggravated trafficking in a controlled substance under KRS 218A.142; or***

9 ***(3) A criminal offense against a victim who is a minor as defined in KRS 17.500***

10 ~~(1) No loan guarantee shall be approved, nor any loan, grant, scholarship, recognition~~
 11 ~~award, work study reimbursement, or other form of financial aid shall be disbursed,~~
 12 ~~under programs authorized by KRS 164.740 to 164.785, to any student who is an~~
 13 ~~inmate or who is incarcerated in a penal institution unless funds have first been~~
 14 ~~provided to all other eligible students who have applied in accordance with the~~
 15 ~~administrative regulations of the authority.~~

16 ~~(2) The Department of Corrections and any person or organization responsible for the~~
 17 ~~supervision or operation of a penal institution shall cooperate with the authority and~~
 18 ~~participating institutions in providing information to them to identify applicants~~
 19 ~~who are inmates at or incarcerated in a penal institution].~~

20 → Section 2. KRS 164.740 is amended to read as follows:

21 As used in KRS 164.740 to 164.7891, the terms listed below shall have the following
 22 meanings:

23 (1) "Authority" means the Kentucky Higher Education Assistance Authority;

24 (2) "Board" means the board of directors of the Kentucky Higher Education Assistance
 25 Authority;

26 (3) "Comprehensive transition and postsecondary program" means a program approved
 27 by the United States Department of Education as defined in 34 C.F.R. secs. 668.230

- 1 to 668.233;
- 2 (4) "Eligible institution" means, unless otherwise specified in this chapter, any
3 educational institution or class of institutions designated as an institution of higher
4 education pursuant to section 102 of the federal act, 20 U.S.C. sec. 1002, as eligible
5 to participate in, and that actively participates in, the Federal Pell Grant Program or,
6 for purposes of insured student loans, is defined as an eligible institution pursuant to
7 section 435 of the federal act, 20 U.S.C. sec. 1085, provided that no right of
8 participation shall be deemed vested pursuant to this subsection in any institution,
9 including, but not by way of limitation, any college, school of nursing, vocational
10 school, or business school;
- 11 (5) "Eligible lender" means any entity described as eligible pursuant to the federal act to
12 make or originate insured student loans, provided that no right of participation shall
13 be deemed vested hereby in any lender;
- 14 (6) "Eligible student" means any student enrolled or accepted for enrollment at a
15 participating institution, meeting the criteria established by the federal act and this
16 chapter for the various authority administered programs;
- 17 (7) "Endorser" means a person who signs a student loan promissory note as an
18 accommodation party, in the manner of KRS 355.3-419, and is secondarily liable
19 for payment on such note;
- 20 (8) "Federal act" means the Higher Education Act of 1965, Pub. L. 89-329, as
21 amended;
- 22 (9) "Grant" means a gift of money, tuition discount, waiver of tuition and fees, or other
23 monetary award that requires neither employment nor repayment, except under
24 conditions prescribed by the board, and is based on demonstrated financial need and
25 such other terms and conditions as the board may prescribe;
- 26 (10) "Honorary scholarship" means a certificate of merit or achievement or other
27 appropriate document which may be issued by the board to students in recognition

- 1 of superior academic ability or achievement or a special talent;
- 2 (11) "Insured student loan" means a loan to an eligible borrower, who is qualified under
3 the federal act, on which the payment of principal and interest is insured as
4 evidenced by a loan guarantee issued by the authority and reinsured by the secretary
5 under the federal act;
- 6 (12) "Loan" means an advance of money, to be used exclusively for payment of
7 educational expenses, evidenced by a promissory note or similar instrument
8 requiring repayment under specified conditions;
- 9 (13) "Loan guarantee" means the certificate, document, or endorsement issued by the
10 authority as evidence of insurance of a loan as to both principal and interest and of
11 reinsurance by the secretary under the federal act;
- 12 (14) "Participating institution" means any eligible institution, to the extent that it offers
13 an eligible program of study, having a contract in force with the authority, if
14 required by the authority, on such terms as the authority may deem necessary or
15 appropriate to the administration of its programs;
- 16 (15) "Participating lender" means any eligible lender, including the authority and the
17 Kentucky Higher Education Student Loan Corporation, which has in force a
18 contract with the authority providing for loan guarantee to be issued by the authority
19 under the federal act and this chapter;
- 20 ~~(16) ["Penal institution" means any penitentiary, detention facility, adult correctional
21 facility, jail, or other similar institution operated by the state, local, or federal
22 government or by private business;~~
- 23 ~~(17)~~ "Recognition award" means an advance of money to or on behalf of a student in
24 recognition of superior academic ability, achievement or special talent;
- 25 (17)~~(18)~~ "Regional accrediting association" means the Middle States Association of
26 Colleges and Schools, Commission on Higher Education; New England Association
27 of Schools and Colleges, Commission on Institutions of Higher Education; North

1 Central Association of Colleges and Schools, Higher Learning Commission;
 2 Northwest Association of Schools and Colleges, Commission on Colleges;
 3 Southern Association of Colleges and Schools, Commission on Colleges; or
 4 Western Association of Schools and Colleges, Accrediting Commission for Senior
 5 Colleges and Universities;

6 ~~(18)~~~~(19)~~ "Scholarship" means a gift of money to provide an incentive for fulfillment of
 7 a particular public purpose which may be based on any combination of financial
 8 need, superior academic ability, achievement, a special talent, or special condition
 9 serving a public purpose and such other terms and conditions as the board may
 10 prescribe;

11 ~~(19)~~~~(20)~~ "Secretary" means the United States Secretary of Education; and

12 ~~(20)~~~~(21)~~ "Work study" means an award of money disbursed by the board at specified
 13 intervals to students, or as reimbursement to employers of students, who provide
 14 needed services for a specified number of hours in a capacity approved by the
 15 board.

16 → Section 3. KRS 164.7874 is amended to read as follows:

17 As used in KRS 164.7871 to 164.7885:

18 (1) "Academic term" means a semester or other time period specified in an
 19 administrative regulation promulgated by the authority;

20 (2) "Academic year" means a period consisting of at least the minimum school term, as
 21 defined in KRS 158.070;

22 (3) "ACT score" means the composite score achieved on the American College Test at
 23 a national test site on a national test date or the college admissions examination
 24 administered statewide under KRS 158.6453(5)(b)5. if the exam is the ACT, or an
 25 equivalent score, as determined by the authority, on the SAT administered by the
 26 College Board, Inc.;

27 (4) "Authority" means the Kentucky Higher Education Assistance Authority;

- 1 (5) "Award period" means the fall and spring consecutive academic terms within one
2 (1) academic year;
- 3 (6) "Council" means the Council on Postsecondary Education created under KRS
4 164.011;
- 5 (7) "Eligible high school student" means any person who:
- 6 (a) Is a citizen, national, or permanent resident of the United States and Kentucky
7 resident;
- 8 (b) Was enrolled after July 1, 1998:
- 9 1. In a Kentucky high school for at least one hundred forty (140) days of
10 the minimum school term unless exempted by the authority's executive
11 director upon documentation of extreme hardship, while meeting the
12 KEES curriculum requirements, and was enrolled in a Kentucky high
13 school at the end of the academic year;
- 14 2. In a Kentucky high school for the fall academic term of the senior year
15 and who:
- 16 a. Was enrolled during the entire academic term;
- 17 b. Completed the high school's graduation requirements during the
18 fall academic term; and
- 19 c. Was not enrolled in a secondary school during any other academic
20 term of that academic year; or
- 21 3. In the Gatton Academy of Mathematics and Science in Kentucky, the
22 Craft Academy for Excellence in Science and Mathematics, or in high
23 school at a model and practice school under KRS 164.380 while meeting
24 the Kentucky educational excellence scholarship curriculum
25 requirements; and
- 26 (c) Has a grade point average of 2.5 or above at the end of any academic year
27 beginning after July 1, 1998, or at the end of the fall academic term for a

- 1 student eligible under paragraph (b) 2. of this subsection~~[- and~~
- 2 ~~(d) —Is not a convicted felon];~~
- 3 (8) "Eligible postsecondary student" means a citizen, national, or permanent resident of
- 4 the United States and Kentucky resident, as determined by the participating
- 5 institution in accordance with criteria established by the council for the purposes of
- 6 admission and tuition assessment, who:
- 7 (a) Earned a KEES award;
- 8 (b) Has the required postsecondary GPA and credit hours required under KRS
- 9 164.7881;
- 10 (c) Has remaining semesters of eligibility under KRS 164.7881; ***and***
- 11 (d) Is enrolled in a participating institution as a part-time or full-time student~~[-~~
- 12 ~~and~~
- 13 ~~(e) —Is not a convicted felon];~~
- 14 (9) "Full-time student" means a student enrolled in a postsecondary program of study
- 15 that meets the full-time student requirements of the participating institution in
- 16 which the student is enrolled;
- 17 (10) "Grade point average" or "GPA" means the grade point average earned by an
- 18 eligible student and reported by the high school or participating institution in which
- 19 the student was enrolled based on a scale of 4.0 or its equivalent if the high school
- 20 or participating institution that the student attends does not use the 4.0 grade scale;
- 21 (11) "High school" means any Kentucky public high school, the Gatton Academy of
- 22 Mathematics and Science in Kentucky, the Craft Academy for Excellence in
- 23 Science and Mathematics, a high school of a model and practice school under KRS
- 24 164.380, and any private, parochial, or church school located in Kentucky that has
- 25 been certified by the Kentucky Board of Education as voluntarily complying with
- 26 curriculum, certification, and textbook standards established by the Kentucky Board
- 27 of Education under KRS 156.160;

- 1 (12) "KEES" or "Kentucky educational excellence scholarship" means a scholarship
2 provided under KRS 164.7871 to 164.7885;
- 3 (13) "KEES award" means:
- 4 (a) For an eligible high school student, the sum of the KEES base amount for
5 each academic year of high school plus any KEES supplemental amount, as
6 adjusted pursuant to KRS 164.7881; and
- 7 (b) For a student eligible under KRS 164.7879(3)(e), the KEES supplemental
8 amount as adjusted pursuant to KRS 164.7881;
- 9 (14) "KEES award maximum" means the sum of the KEES base amount earned in each
10 academic year of high school plus any KEES supplemental amount earned;
- 11 (15) "KEES base amount" or "base amount" means the amount earned by an eligible
12 high school student based on the student's GPA pursuant to KRS 164.7879;
- 13 (16) "KEES curriculum" means five (5) courses of study, except for students who meet
14 the criteria of subsection (7)(b)2. of this section, in an academic year as determined
15 in accordance with an administrative regulation promulgated by the authority;
- 16 (17) "KEES supplemental amount" means the amount earned by an eligible student
17 based on the student's ACT score pursuant to KRS 164.7879;
- 18 (18) "KEES trust fund" means the Wallace G. Wilkinson Kentucky educational
19 excellence scholarship trust fund;
- 20 (19) "On track to graduate" means the number of cumulative credit hours earned as
21 compared to the number of hours determined by the postsecondary education
22 institution as necessary to complete a bachelor's degree by the end of eight (8)
23 academic terms or ten (10) academic terms if a student is enrolled in an
24 undergraduate program that requires five (5) years of study;
- 25 (20) "Participating institution" means an "institution" as defined in KRS 164.001 that is
26 eligible to participate in the federal Pell Grant program, executes a contract with the
27 authority on terms the authority deems necessary or appropriate for the

1 administration of its programs, and:

2 (a) 1. Is publicly operated;

3 2. Is licensed by the Commonwealth of Kentucky and has operated for at
4 least ten (10) years, offers an associate or baccalaureate degree program
5 of study not comprised solely of sectarian instruction, and admits as
6 regular students only high school graduates, recipients of a High School
7 Equivalency Diploma, or students transferring from another accredited
8 degree granting institution; or

9 3. Is designated by the authority as an approved out-of-state institution that
10 offers a degree program in a field of study that is not offered at any
11 institution in the Commonwealth; and

12 (b) Continues to commit financial resources to student financial assistance
13 programs; and

14 (21) "Part-time student" means a student enrolled in a postsecondary program of study
15 who does not meet the full-time student requirements of the participating institution
16 in which the student is enrolled and who is enrolled for at least six (6) credit hours,
17 or the equivalent for an institution that does not use credit hours.

18 → Section 4. KRS 164.7884 is amended to read as follows:

19 (1) As used in this section:

20 (a) "Academic year" means July 1 through June 30 of each year;

21 (b) "Apprentice" has the same meaning as in KRS 343.010;

22 (c) "Eligible student" means an eligible high school student who has graduated
23 from high school or a student eligible under KRS 164.7879(3)(e);

24 **(d) "Proprietary school" means a school as defined in KRS 165A.310(10)(a) to**

25 **(d) that:**

26 **1. Is licensed by the Kentucky Commission on Proprietary Education,**
27 **the Kentucky Board of Barbering, the Kentucky Board of**

1 Cosmetology, the Kentucky Board of Nursing, or the Kentucky Board
2 of Embalmers and Funeral Directors;

3 2. Has operated for at least five (5) years;

4 3. Has its headquarters or main campus physically located in Kentucky;
5 and

6 4. Is not eligible to participate in the federal Pell Grant program;

7 (e) "Qualified proprietary school program" means a program offered by a
8 proprietary school that is in one (1) of Kentucky's top five (5) high-demand
9 work sectors as determined by the Kentucky Workforce Investment Board;

10 ~~(f)(d)~~ "Qualified workforce training program" means a program that is in one
11 (1) of Kentucky's top five (5) high-demand work sectors as determined by the
12 Kentucky Workforce Investment Board;

13 ~~(g)(e)~~ "Registered apprenticeship program" means an apprenticeship program
14 that:

- 15 1. Is established in accordance with the requirements of KRS Chapter 343;
- 16 2. Requires a minimum of two thousand (2,000) hours of on-the-job work
17 experience;
- 18 3. Requires a minimum of one hundred forty-four (144) hours of related
19 instruction for each year of the apprenticeship; and
- 20 4. Is approved by the Education and Workforce Development Cabinet;

21 ~~(h)(f)~~ "Related instruction" has the same meaning as in KRS 343.010; and

22 ~~(i)(g)~~ "Sponsor" has the same meaning as in KRS 343.010.

23 (2) Notwithstanding KRS 164.7881, an eligible student who earned a KEES award
24 shall be eligible for a Kentucky educational excellence scholarship if the student
25 meets the requirements of this section and is:

26 (a) An apprentice in a registered apprenticeship program;~~or~~

27 (b) Enrolled in a qualified workforce training program that has a current

1 articulation agreement for postsecondary credit hours with a participating
2 institution; or

3 **(c) Enrolled in a qualified proprietary school program.**

4 (3) (a) Beginning with the 2018-2019 academic year, an eligible student enrolled in a
5 registered apprenticeship program or, for the academic year beginning July 1,
6 2020, an eligible student enrolled in a qualified workforce training program
7 **or, for the academic year beginning July 1, 2022, an eligible student**
8 **enrolled in a qualified proprietary school program** may receive
9 reimbursement of tuition, books, required tools, and other approved expenses
10 required for participation in the program, upon certification by the sponsor or
11 **school** and approval by the authority.

12 (b) The reimbursement amount an eligible student may receive in an academic
13 year shall not exceed the student's KEES award maximum.

14 (c) The total reimbursement amount an eligible student may receive under this
15 section shall not exceed the student's KEES award maximum multiplied by
16 four (4).

17 (4) Eligibility for a KEES scholarship under this section shall terminate upon the earlier
18 of:

19 (a) The expiration of five (5) years following the eligible student's graduation
20 from high school or receiving a High School Equivalency Diploma, except as
21 provided in KRS 164.7881(5); or

22 (b) The eligible student's successful completion of the registered apprenticeship
23 program, ~~for~~ qualified workforce training program, **or qualified proprietary**
24 **school program.**

25 (5) The authority shall promulgate administrative regulations establishing the
26 procedures for making awards under this section in consultation with the Kentucky
27 Education and Workforce Development Cabinet and the Kentucky Economic

1 Development Cabinet.

2 → Section 5. KRS 164.7879 is amended to read as follows:

3 (1) Kentucky educational excellence scholarship awards shall be based upon an
4 established base scholarship amount and an eligible high school student's grade
5 point average. The base scholarship amount for students attaining a grade point
6 average of at least 2.5 for the 1998-1999 academic year shall be as follows:

7	GPA	Amount	GPA	Amount
8	2.50	\$125.00	3.30	\$325.00
9	2.60	\$150.00	3.40	\$350.00
10	2.70	\$175.00	3.50	\$375.00
11	2.75	\$187.00	3.60	\$400.00
12	2.80	\$200.00	3.70	\$425.00
13	2.90	\$225.00	3.75	\$437.00
14	3.00	\$250.00	3.80	\$450.00
15	3.10	\$275.00	3.90	\$475.00
16	3.20	\$300.00	4.00	\$500.00
17	3.25	\$312.00		

18 The authority shall review the base amount of the Kentucky educational excellence
19 scholarship each academic year and may promulgate an administrative regulation to
20 make adjustments after considering the availability of funds.

21 (2) (a) The authority shall commit to provide to each eligible high school student the
22 base amount of the Kentucky educational excellence scholarship for each
23 academic year of high school study in the Kentucky educational excellence
24 scholarship curriculum that the high school student has attained at least a 2.5
25 grade point average. The award shall be based upon the eligible high school
26 student's grade point average at the close of each academic year. An award
27 attributable to a past academic year shall not be increased after the award has

1 been earned by an eligible high school student, regardless of any subsequent
2 increases made to the base amount of the Kentucky educational excellence
3 scholarship through the promulgation of an administrative regulation by the
4 authority.

5 (b) Notwithstanding the definitions of "eligible high school student" and "high
6 school" in KRS 164.7874, any high school student who maintains Kentucky
7 residency and completes the academic courses that are required for a
8 Kentucky educational excellence scholarship while participating in an
9 approved educational high school foreign exchange program or participating
10 in the United States Congressional Page School may apply his or her grade
11 point average for that academic year toward the base as described in paragraph
12 (a) of this subsection. The grade point average shall be reported by the
13 student's Kentucky home high school, based on an official transcript from the
14 school that the student attended during the out-of-state educational experience.
15 The authority shall promulgate administrative regulations that describe the
16 approval process for the educational exchange programs that qualify under
17 this paragraph. The provisions in this paragraph shall likewise apply to any
18 Kentucky high school student who participated in an approved educational
19 exchange program or in a Congressional Page School since the 1998-99
20 school year and maintained his or her Kentucky residency throughout.

21 (c) 1. Notwithstanding the definitions of "eligible high school student" and
22 "high school" in KRS 164.7874 and the requirement that a student
23 graduate from a Kentucky high school, a high school student who
24 completes the KEES curriculum while attending an accredited out-of-
25 state high school or Department of Defense school may apply the grade
26 point average for any applicable academic year toward the base as
27 described in paragraph (a) of this subsection and shall also qualify for a

- 1 supplemental award under subsection (3) of this section when:
- 2 a. His or her custodial parent or guardian is in active service of the
- 3 Armed Forces of the United States;~~and~~
- 4 b. ~~The custodial parent or guardian maintained Kentucky as the~~
- 5 ~~home of record at the time the~~ student attended an accredited out-
- 6 of-state high school or a Department of Defense school **as a result**
- 7 **of the custodial parent's or guardian's military transfer outside**
- 8 **of Kentucky; and**
- 9 **c. The student earned a KEES base amount at a Kentucky high**
- 10 **school prior to the custodial parent's or guardian's military**
- 11 **transfer outside of Kentucky.**
- 12 2. The student or parent shall arrange for the out-of-state school to report
- 13 the student's grade point average each academic year and the student's
- 14 highest ACT score to the authority as required under KRS 164.7885.
- 15 The authority shall promulgate administrative regulations implementing
- 16 the requirements in this paragraph, including:
- 17 a. The documentation that the parent shall submit to the authority
- 18 establishing the student's eligibility for the scholarship; and
- 19 b. The assurances that an out- of state institution shall submit to the
- 20 authority for submission of the student grade point average.
- 21 3. The provisions in this paragraph shall apply to the 2001-2002 school
- 22 year and thereafter.
- 23 (d) Beginning with the 2013-2014 academic year, a student who meets the
- 24 Kentucky core academic standards for high school graduation established in
- 25 administrative regulation and graduates after completing three (3) years of
- 26 high school shall receive a Kentucky educational excellence scholarship
- 27 award equivalent to completing high school in four (4) years. The award shall

1 be determined by dividing the total actual KEES scholarship earned under
 2 subsection (1) of this section by three (3) and multiplying that number by four
 3 (4). The resulting number shall be the annual award the student is eligible for
 4 under subsection (1) of this section.

5 (3) (a) The authority shall commit to provide to each eligible high school student
 6 graduating from high school before June 30, 1999, and achieving a score of at
 7 least 15 on the American College Test, a supplemental award for the award
 8 period beginning in the fall of 1999, based on the eligible high school
 9 student's highest ACT score attained by the date of graduation from high
 10 school. The amount of the supplemental award shall be determined as follows:

11	ACT	Annual	ACT	Annual
12	Score	Bonus	Score	Bonus
13	15	\$21	22	\$171
14	16	\$43	23	\$193
15	17	\$64	24	\$214
16	18	\$86	25	\$236
17	19	\$107	26	\$257
18	20	\$129	27	\$279
19	21	\$150	28 or above	\$300

20 Subsequent supplemental awards for eligible high school students graduating
 21 before June 30, 1999, shall be determined in accordance with the provisions
 22 of paragraph (b) of this subsection.

23 (b) The authority shall commit to provide to each eligible high school student
 24 upon achievement after June 30, 1999, of an ACT score of at least 15 on the
 25 American College Test a supplemental award based on the eligible high
 26 school student's highest ACT score attained by the date of graduation from
 27 high school. The amount of the supplemental award shall be determined as

1 follows:

2	ACT		ACT	
3	Score	Amount	Score	Amount
4	15	\$36	22	\$286
5	16	\$71	23	\$321
6	17	\$107	24	\$357
7	18	\$143	25	\$393
8	19	\$179	26	\$428
9	20	\$214	27	\$464
10	21	\$250	28 and above	\$500

11 The authority shall review the base amount of the supplemental award
 12 beginning with the 2001-2002 academic year and each academic year
 13 thereafter and may promulgate an administrative regulation to make
 14 adjustments after considering the availability of funds.

15 (c) Beginning with the 2008-2009 academic year, the authority shall commit to
 16 provide a supplemental award for achievement on examinations for Advanced
 17 Placement or International Baccalaureate as defined in KRS 164.002 to an
 18 eligible high school student whose family was eligible for free or reduced-
 19 price lunch for any year during high school enrollment.

- 20 1. The supplemental award for AP examination scores are as follows:
 - 21 a. Two hundred dollars (\$200) for each score of three (3);
 - 22 b. Two hundred fifty dollars (\$250) for each score of four (4); and
 - 23 c. Three hundred dollars (\$300) for each score of five (5).
- 24 2. The supplemental award for IB examination scores are as follows:
 - 25 a. Two hundred dollars (\$200) for each score of five (5);
 - 26 b. Two hundred fifty dollars (\$250) for each score of six (6); and
 - 27 c. Three hundred dollars (\$300) for each score of seven (7).

- 1 (d) Beginning with the 2013-2014 academic year, the authority shall commit to
2 provide a supplemental award for achievement on examinations for
3 Cambridge Advanced International as defined in KRS 164.002 to an eligible
4 high school student whose family was eligible for free or reduced-priced lunch
5 for any year during high school enrollment. The supplemental award for
6 Cambridge Advanced International examination scores are as follows:
- 7 1. Two hundred dollars (\$200) for each score of "e";
 - 8 2. Two hundred fifty dollars (\$250) for each score of "c" or "d"; and
 - 9 3. Three hundred dollars (\$300) for each score of "a*", "a", or "b".
- 10 (e) The authority shall promulgate administrative regulations establishing the
11 eligibility criteria and procedures for making a supplemental award to
12 Kentucky residents who are citizens, nationals, or permanent residents of the
13 United States and who graduate from a nonpublic secondary school not
14 certified by the Kentucky Board of Education and Kentucky residents who are
15 citizens, nationals, or permanent residents of the United States and who obtain
16 a High School Equivalency Diploma within five (5) years of their high school
17 graduating class, and students under subsection (2)(c) of this section who do
18 not attend an accredited high school.