

CHAPTER 42

(HB 45)

AN ACT relating to postsecondary financial aid for students with intellectual disabilities.

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

➔Section 1. KRS 164.740 is amended to read as follows:

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

- (1) "Authority" means the Kentucky Higher Education Assistance Authority.
- (2) "Board" means the board of directors of the Kentucky Higher Education Assistance Authority.
- (3) ***"Comprehensive transition and postsecondary program" means a program approved by the United States Department of Education as defined in 34 C.F.R. secs. 668.230 to 668.233.***
- ~~(4)(3)~~ "Eligible institution" means, unless otherwise specified in this chapter, any educational institution or class of institutions designated as an institution of higher education pursuant to section 102 of the federal act, 20 U.S.C. sec. 1002, as eligible to participate in, and that actively participates in, the Federal Pell Grant Program or, for purposes of insured student loans, is defined as an eligible institution pursuant to section 435 of the federal act, 20 U.S.C. sec. 1085, provided that no right of participation shall be deemed vested pursuant to this subsection in any institution, including, but not by way of limitation, any college, school of nursing, vocational school, or business school.
- ~~(5)(4)~~ "Eligible lender" means any entity described as eligible pursuant to the federal act to make or originate insured student loans, provided that no right of participation shall be deemed vested hereby in any lender.
- ~~(6)(5)~~ "Eligible student" means any student enrolled or accepted for enrollment at a participating institution, meeting the criteria established by the federal act and this chapter for the various authority administered programs.
- ~~(7)(6)~~ "Endorser" means a person who signs a student loan promissory note as an accommodation party, in the manner of KRS 355.3-419, and is secondarily liable for payment on such note.
- ~~(8)(7)~~ "Federal Act" means the Higher Education Act of 1965, Pub. L. 89-329, as amended.
- ~~(9)(8)~~ "Grant" means a gift of money, tuition discount, waiver of tuition and fees, or other monetary award that requires neither employment nor repayment, except under conditions prescribed by the board, and is based on demonstrated financial need and such other terms and conditions as the board may prescribe.
- ~~(10)(9)~~ "Honorary scholarship" means a certificate of merit or achievement or other appropriate document which may be issued by the board to students in recognition of superior academic ability or achievement or a special talent.
- ~~(11)(10)~~ "Insured student loan" means a loan to an eligible borrower, who is qualified under the federal act, on which the payment of principal and interest is insured as evidenced by a loan guarantee issued by the authority and reinsured by the secretary under the federal act.
- ~~(12)(11)~~ "Loan" means an advance of money, to be used exclusively for payment of educational expenses, evidenced by a promissory note or similar instrument requiring repayment under specified conditions.
- ~~(13)(12)~~ "Loan guarantee" means the certificate, document, or endorsement issued by the authority as evidence of insurance of a loan as to both principal and interest and of reinsurance by the secretary under the federal act.
- ~~(14)(13)~~ "Participating institution" means any eligible institution, to the extent that it offers an eligible program of study, having a contract in force with the authority, if required by the authority, on such terms as the authority may deem necessary or appropriate to the administration of its programs.
- ~~(15)(14)~~ "Participating lender" means any eligible lender, including the authority and the Kentucky Higher Education Student Loan Corporation, which has in force a contract with the authority providing for loan guarantee to be issued by the authority under the federal act and this chapter.
- ~~(16)(15)~~ "Penal institution" means any penitentiary, detention facility, adult correctional facility, jail, or other similar institution operated by the state, local, or federal government or by private business.

- (17)~~(16)~~ "Recognition award" means an advance of money to or on behalf of a student in recognition of superior academic ability, achievement or special talent.
- (18)~~(17)~~ "Regional accrediting association" means the Middle States Association of Colleges and Schools, Commission on Higher Education; New England Association of Schools and Colleges, Commission on Institutions of Higher Education; North Central Association of Colleges and Schools, Higher Learning Commission; Northwest Association of Schools and Colleges, Commission on Colleges; Southern Association of Colleges and Schools, Commission on Colleges; or Western Association of Schools and Colleges, Accrediting Commission for Senior Colleges and Universities.
- (19)~~(18)~~ "Scholarship" means a gift of money to provide an incentive for fulfillment of a particular public purpose which may be based on any combination of financial need, superior academic ability, achievement, a special talent, or special condition serving a public purpose and such other terms and conditions as the board may prescribe.
- (20)~~(19)~~ "Secretary" means the United States Secretary of Education.
- (21)~~(20)~~ "Work study" means an award of money disbursed by the board at specified intervals to students, or as reimbursement to employers of students, who provide needed services for a specified number of hours in a capacity approved by the board.

➔Section 2. KRS 164.7535 is amended to read as follows:

Notwithstanding KRS 164.753(4)(d), the Kentucky Higher Education Assistance Authority may award college access program grants pursuant to KRS 164.753(4), to the extent funds are available for the purpose, to financially needy part-time and full-time undergraduate students, including students enrolled in a program of study designated as an equivalent undergraduate program of study by the Council on Postsecondary Education in an administrative regulation. Grants shall be awarded only to students enrolled or accepted for enrollment at participating institutions located within the Commonwealth. Grants under this section shall be awarded only for attendance in a program of study of at least two (2) academic years' duration. Grants under this section shall be awarded only to students enrolled or accepted for enrollment for attendance in a program of study that leads to a degree, except that grants shall be awarded to students enrolled or accepted for enrollment at publicly-operated vocational-technical institutions for attendance in a program of study that leads to a certificate, diploma, or degree *or in a comprehensive transition and postsecondary program. For purposes of this section, a student enrolled in a comprehensive transition and postsecondary program shall be considered a part-time student.* Awards to recipients attending participating institutions accredited by a regional accrediting association shall not exceed the prevailing amount charged for tuition at publicly-supported community and technical colleges in Kentucky, and awards to recipients attending other participating institutions shall not exceed the prevailing amount charged for tuition at publicly-operated vocational-technical institutions in Kentucky. The provisions of this section shall not limit the authority's capability to use funds appropriated for this purpose to match federal funds, make grant awards, adopt administrative regulations that conform to the requirements of federal laws and regulations for full participation in federally-funded student financial assistance programs.

➔Section 3. KRS 164.785 is amended to read as follows:

- (1) The State of Kentucky shall grant an amount as provided in KRS 164.780 and this section to any applicant who meets the following qualifications:
- (a) Is a Kentucky resident as defined by the Kentucky Council on Postsecondary Education; and
 - (b)
 1. Has been accepted by or is enrolled as a full-time student in a program of study leading to a postsecondary degree at a Kentucky independent college or university which is accredited by a regional accrediting association recognized by the United States Department of Education and whose institutional programs are not composed solely of sectarian instruction;~~or~~
 2. Has been accepted by or is enrolled as a full-time student in a program of study leading to a postsecondary degree at an out-of-state postsecondary education institution licensed by the Council on Postsecondary Education to operate in Kentucky which is accredited by a regional accrediting association recognized by the United States Department of Education and whose institutional programs are not composed solely of sectarian instruction; *or*
 3. *Has been accepted or is enrolled as a student in a comprehensive transition and postsecondary program at an institution described in subsection (1)(b)1 of this section. For purposes of this section, a student enrolled in a comprehensive transition and postsecondary program shall be*

considered a part-time student, and the grant amount shall be adjusted accordingly by the Kentucky Higher Education Assistance Authority.

- ~~4.3-~~ An otherwise eligible student having a disability defined by Title II of the Americans with Disabilities Act (42 U.S.C. secs. 12131 et seq.), certified by a licensed physician to be unable to attend the eligible program of study full-time because of the disability may also qualify under this paragraph; and
- (c) Has not previously attended college or university more than the maximum number of academic terms established by the authority in administrative regulations.
- (2) The amount of the tuition grant to be paid to a student each semester, or appropriate academic term, shall be determined by the Kentucky Higher Education Assistance Authority.
- (3) The maximum amount shall not exceed fifty percent (50%) of the average state appropriation per full-time equivalent student enrolled in all public institutions of higher education. Such tuition grants are to be calculated annually by the Kentucky Higher Education Assistance Authority.
- (4) The need of each applicant shall be determined by acceptable need analysis such as use of the free application for federal student aid in conjunction with Part E of the federal act, 20 U.S.C. secs. 1087kk through 1087vv, and such other analyses as the authority may determine, subject to the approval by the United States Secretary of Education.
- (5) An adjustment shall be made in the tuition grant of any student awarded a scholarship from any other source provided the combination of grants and awards exceeds the calculated need of the student.
- (6) Accepted or enrolled students qualifying under the provisions of subsection (1)(b) of this section prior to the 2011-2012 academic year shall be under those provisions and continue under those provisions until June 30, 2014.
- (7) Beginning with the 2011-2012 academic year, and each year thereafter:
- (a) Any Kentucky independent college or university whose institutional programs are not composed solely of sectarian instruction shall be accredited by the Southern Association of Colleges and Schools to remain an eligible institution in which a student may enroll and receive a Kentucky tuition grant;
- (b) Programs or campuses of any out-of-state postsecondary education institution that is licensed by the Council on Postsecondary Education to operate in Kentucky and whose institutional programs are not composed solely of sectarian instruction shall be accredited by the Southern Association of Colleges and Schools in order to qualify as an eligible institution in which a student may enroll and receive a Kentucky tuition grant, except as provided in paragraph (c) of this subsection; and
- (c) Programs or campuses of any out-of-state postsecondary education institution that is licensed by the Council on Postsecondary Education to operate in Kentucky and whose institutional programs are not composed solely of sectarian instruction, but in which accreditation by the Southern Association of Colleges and Schools is not an option, shall be reviewed and approved by the Council on Postsecondary Education based on accreditation criteria that mirrors Southern Association of Colleges and Schools accreditation criteria in order to qualify as an eligible institution in which a student may enroll and receive a Kentucky tuition grant. All costs associated with the institutional reviews shall be the responsibility of the institution seeking approval by the council. The Council on Postsecondary Education shall promulgate administrative regulations in accordance with KRS Chapter 13A to carry out the provisions of this paragraph.

➔SECTION 4. A NEW SECTION OF KRS 164.7871 TO 164.7885 IS CREATED TO READ AS FOLLOWS:

- (1) *Notwithstanding any other statute to the contrary, a student shall be eligible for a Kentucky educational excellence scholarship who:*
- (a) 1. *Received an alternative high school diploma described in KRS 158.140(2)(b) after June 30, 2012; or*
2. *Attended a Kentucky public high school after June 30, 2008, and is a student with an intellectual disability as defined in 34 C.F.R. sec. 668.231; and*
- (b) *Enrolls in a comprehensive transition and postsecondary program at a participating institution located in Kentucky.*

- (2) *A student enrolled in credit-bearing or non-credit-bearing courses as part of a comprehensive transition and postsecondary program shall receive:*
- (a) *Two hundred fifty dollars (\$250) for enrollment in at least six (6) hours in an academic term; and*
 - (b) *One hundred twenty-five dollars (\$125) for enrollment in less than six (6) hours in an academic term.*
- (3) *A student shall be eligible for a scholarship under this section for a maximum of eight (8) academic terms.*
- (4) *The authority shall promulgate administrative regulations establishing the procedures for making awards under this section.*

Signed by Governor March 21, 2013.