

**CHAPTER 139****( HB 377 )**

AN ACT relating to teacher recruitment and retention, making an appropriation therefor, and declaring an emergency.

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

➔SECTION 1. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO READ AS FOLLOWS:

- (1) *The General Assembly hereby establishes the Teacher Recruitment Student Loan Forgiveness Pilot Program to encourage and assist individuals in becoming certified teachers in Kentucky public schools.*
- (2) *As used in this section:*
  - (a) *"Authority" means the Kentucky Higher Education Assistance Authority;*
  - (b) *"Eligible program of study" means an undergraduate or graduate program of study which is preparatory to teacher certification, as determined by the authority;*
  - (c) *"Eligible student" means a student who:*
    1. *Is a citizen or permanent resident of the United States;*
    2. *Is a Kentucky resident, as determined by the participating institution in accordance with criteria established by the Council on Postsecondary Education for the purposes of admission and tuition assessment;*
    3. *Is enrolled at a participating institution; and*
    4. *Meets any other criteria established in administrative regulation promulgated by the authority;*
  - (d) *"Participating institution" means an institution of higher education located in Kentucky that offers an eligible program of study and has an agreement in force with the authority providing for administration of the pilot program established by this section;*
  - (e) *"Qualified teaching service" means teaching in a classroom the majority of each school day for at least eighty (80) days each semester in a public school of the Commonwealth while satisfying a one (1) year contract, except that an individual having a disability defined by Title II of the Americans with Disabilities Act, 42 U.S.C. sec. 12131 et seq., or serious and extended illness, whose disability or illness, certified by a licensed physician, prevents that individual from teaching a major portion of each school day, shall be deemed to perform qualified teaching service by teaching the maximum time permitted by the attending physician;*
  - (f) *"Semester" means a period of about eighteen (18) weeks, which usually makes up one-half (1/2) of a school year or one-half (1/2) of a participating institution's academic year; and*
  - (g) *"Summer term" means an academic period consisting of one (1) or more sessions of instruction between a spring and a fall semester.*
- (3) *The authority may, to the extent of appropriations and other funds available to it pursuant to subsection (9) of this section, provide teacher recruitment awards to eligible students pursuant to subsection (4) of this section, who initially demonstrate financial need in accordance with standards and criteria established by the authority. Each teacher recruitment award shall be evidenced by a promissory note that requires repayment or cancellation pursuant to subsection (6) of this section.*
- (4) *Teacher recruitment awards shall first be provided to eligible students accepted into an eligible program of study and then to eligible students who have declared a major that is an eligible program of study in pursuit of initial teacher certification.*
- (5) *To the extent funds are available, the authority shall provide to eligible students:*
  - (a) *Accepted into an eligible program of study, a maximum award of up to five thousand dollars (\$5,000) per semester or summer term; or*

- (b) *Having declared a major that is an eligible program of study, a maximum award of up to two thousand five hundred dollars (\$2,500) per semester or summer term.*
- (6) (a) *The authority shall disburse teacher recruitment awards to eligible students who agree to render qualified teaching service as certified teachers, are unconditionally admitted and enrolled in a participating institution, and have declared a major that is an eligible program of study.*

(b) *A teacher recruitment award shall not be provided, or a promissory note cancellation shall not be granted, to any person who is in default on any obligation to the authority under any program administered by the authority pursuant to KRS 164.740 to 164.7891 until financial obligations to the authority are satisfied, except that ineligibility for this reason may be waived by the authority for cause.*

(c) *Recipients shall render one (1) year of qualified teaching service for each semester of award received. The authority shall cancel a promissory note upon completion of each year of qualified teacher service beginning with the oldest promissory note.*

(d) *If the recipient of a teacher recruitment award fails to complete an eligible program of study at a participating institution or fails to render qualified teaching service in any semester following certification or recertification, unless the failure is temporarily waived for cause by the authority, the recipient shall immediately become liable to the authority for repayment of the sum of all outstanding promissory notes and accrued interest. Persons liable for repayment of awards under this paragraph shall be liable for interest accruing from the dates on which the teacher recruitment awards were disbursed.*

(e) *The authority shall establish, by administrative regulation, the terms and conditions for the award and cancellation and repayment of teacher recruitment awards, including but not limited to the selection criteria, eligibility for renewal awards, amount of award payments, deferments, the rate of repayment, and the interest rate thereon.*

(f) *Notwithstanding any other statute to the contrary, the maximum interest rate applicable to repayment of a promissory note under this section shall be eight percent (8%) per annum, except that if a judgment is rendered to recover payment, the judgment shall bear interest at the rate of five percent (5%) greater than the rate actually charged on the promissory note.*
- (7) *A repayment obligation imposed by this section shall not be voidable by reason of the age of the recipient at the time of receiving the teacher recruitment award.*
- (8) *Failure to meet repayment obligations imposed by this section shall be cause for the revocation of a person's teaching certificate, subject to the procedures set forth in KRS 161.120.*
- (9) *All moneys repaid to the authority under this section shall be deposited into the Teacher Recruitment Student Loan Forgiveness Pilot Program fund created in subsection (13) of this section.*
- (10) *The authority may execute appropriate contracts and promissory notes for administering this section.*
- (11) (a) *Notwithstanding any other statute to the contrary, if available funds are insufficient for all requested awards for eligible applicants during any fiscal year, the authority shall give priority consideration to eligible applicants who previously received teacher recruitment awards.*

(b) *If funds are insufficient to make all requested renewal awards to eligible applicants, the authority shall reduce all awards to the extent necessary to provide awards to all qualified renewal applicants.*

(c) *If, after awarding all eligible renewal applicants, funds are not depleted, initial applications shall be ranked according to regulatory selection criteria, and awards shall be made to eligible applicants until funds are depleted.*
- (12) *The authority shall submit a report on the number of teacher awards provided in each fiscal year, the program of study in which recipients are enrolled, recipient retention rates, total number of applications, and award recruitment strategies to the Legislative Research Commission for referral to the Interim Joint Committee on Education by December 1 of each year.*
- (13) (a) *The Teacher Recruitment Student Loan Forgiveness Pilot Program fund is hereby created as a revolving account in the State Treasury to be administered by the authority for the purpose of providing loan repayment as described in this section.*

- (b) *The fund shall consist of state general fund appropriations, gifts and grants from public and private sources, and federal funds. All moneys included in the fund shall be appropriated for the purposes set forth in this section.*
- (c) *Any unallotted or unencumbered balances in the trust fund shall be invested as provided in KRS 42.500(9). Income earned from the investments shall be credited to the fund.*
- (d) *Notwithstanding KRS 45.229, any fund balance at the close of the fiscal year shall not lapse but shall be carried forward to the next fiscal year and continuously appropriated only for the purposes specified in this section.*

➔SECTION 2. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO READ AS FOLLOWS:

- (1) *The General Assembly hereby establishes the Student Teacher Stipend Program to reduce financial barriers to students in completing educator preparation programs and entering the educator workforce.*
- (2) *As used in this section:*
  - (a) *"Academic term" means a fall or spring academic semester;*
  - (b) *"Approved educator preparation program" means a program approved by the Education Professional Standards Board for the preparation of teachers and other professional school personnel;*
  - (c) *"Authority" means the Kentucky Higher Education Assistance Authority;*
  - (d) *"Eligible student" means a student who:*
    - 1. *Is a citizen or permanent resident of the United States;*
    - 2. *Is a Kentucky resident as determined by the participating institution in accordance with criteria established by the Council on Postsecondary Education for the purposes of admission and tuition assessment;*
    - 3. *Is enrolled in an approved educator preparation program at a participating institution;*
    - 4. *Is approved for student teaching by the participating institution;*
    - 5. *Has not previously received a student teacher stipend under this section; and*
    - 6. *Meets any other criteria established in administrative regulation promulgated by the authority;*
  - (e) *"Participating institution" means an institution of higher education located in Kentucky that offers an approved educator preparation program and executes an agreement with the authority on terms the authority deems necessary or appropriate for the administration of the Student Teacher Stipend Program; and*
  - (f) *"Student teacher" has the same meaning as in KRS 161.010.*
- (3) *The Kentucky Higher Education Assistance Authority shall administer the Student Teacher Stipend Program and shall promulgate administrative regulations in accordance with KRS Chapter 13A as may be needed for administration of the program.*
- (4)
  - (a) *Beginning with the 2024-2025 academic year, to the extent funds are available, the authority may award a student teacher stipend of up to five thousand dollars (\$5,000) to an eligible student during the academic term in which the student is a student teacher.*
  - (b) *If funds are not sufficient to award stipends to all eligible students, awards shall be determined in accordance with administrative regulations promulgated by the authority.*
- (5) *For each academic term, by the deadline established by the authority, a participating institution shall submit to the authority a report of all eligible students for that academic term. The authority shall disburse stipend funds monthly to the participating institution to distribute to eligible students.*
- (6) *The participating institution shall notify the authority within five (5) days of the withdrawal of a previously eligible student from the program and no additional distributions shall be made to the participating institution for the student.*

- (7) *Funds awarded to an eligible student under this section shall not be considered student financial aid in the year the funds are received.*
- (8) *By November 1, 2025, and each November 1 thereafter, the authority shall submit a report to the Legislative Research Commission for referral to the Interim Joint Committee on Education on the utilization and effectiveness of the Student Teacher Stipend Program. The Kentucky Center for Statistics shall assist in developing the report which shall include but not be limited to:*
- (a) *The total number of eligible students and stipend recipients, and the total award amount by participating institution and program;*
  - (b) *The demographic data of stipend recipients, including but not limited to:*
    - 1. *School district of high school graduation;*
    - 2. *County and city of residence prior to postsecondary enrollment;*
    - 3. *The participating institution in which the eligible student is enrolled while a student teacher; and*
    - 4. *The school and district in which the eligible student is a student teacher; and*
  - (c) *The data correlation between stipend recipients and nonrecipients entering and remaining in the educator workforce, including but not limited to student teaching location and teaching position location.*

➔Section 3. Whereas schools across the state need access to highly qualified educators and students in educator preparation programs need financial assistance to complete the program, an emergency is declared to exist, and this Act takes effect upon its passage and approval by the Governor or upon its otherwise becoming a law.

**Signed by Governor April 9, 2024.**