

11 KAR 7:010. Incentive Loan Program; mathematics and science.

RELATES TO: KRS 164.768

STATUTORY AUTHORITY: KRS 164.748(4), 164.768(10)

NECESSITY, FUNCTION, AND CONFORMITY: KRS 164.768 establishes the math/science incentive loan program for awarding incentive loans to persons declaring an intention to serve and who actually render service in the critical teacher shortage fields of mathematics and science. Section 39 of House Bill 6, enacted in the 1985 extraordinary session of the General Assembly, amended KRS 156.611 to transfer administration of this program from the Department of Education to the Kentucky Higher Education Assistance Authority. It is necessary to the administration of the program that the Assistance Authority promulgate this administrative regulation to prescribe rules for the administration of the program. Section 1 of House Bill 74, enacted in the 1988 regular session of the General Assembly, repealed KRS 156.611 and reenacted those provisions as KRS 164.768. This amendment is necessary and intended only to correct the statutory citation.

Section 1. Definitions. (1) "Public school" means a common school operated under the laws of the Commonwealth of Kentucky.

(2) "Semester" means a period of about eighteen (18) weeks, which usually makes up one-half (1/2) of a public school year or one-half (1/2) of a participating institution's academic year.

(3) "Qualified teaching service" means employment in a critical shortage field in grades seven (7) through twelve (12) in a public school in a position requiring a Kentucky teacher's certificate for a major portion of a school day for at least seventy (70) days during a semester.

(4) "Participating institution" means an institution of higher education located in Kentucky, which is approved by the State Board of Education to offer teacher education programs, and which has in force an agreement with the authority providing for administration of this program.

(5) "Critical shortage field" means the teaching fields of mathematics and science specified in KRS 164.768.

(6) "Qualified teacher education program" means a program of study in a mathematics or science major or area of concentration leading to teacher certification in one (1) of the critical shortage fields.

Section 2. The Kentucky Higher Education Assistance Authority (authority) shall, to the extent of appropriations for such purpose, award math/science incentive loans (loans) to persons enrolled or accepted for enrollment in a Qualified Teacher Education Program on a full-time basis at a participating institution approved by the State Board of Education to offer Qualified Teacher Education Programs, who declare an intention to teach in one (1) of the critical shortage fields in the public schools of the Commonwealth, and who meet the eligibility requirements set forth herein. Persons already possessing certification in one (1) of the critical shortage fields may be awarded loans to pursue certification in a different critical shortage field only upon a statement by the local school district superintendent of exceptional need for a teacher in that field.

Section 3. Teacher Recertification Eligibility. (1) Up to thirty (30) percent of the annual appropriation for KRS 164.768 will be loaned to certified teachers who do not possess certification in one of the critical shortage fields, who have been admitted to a qualified teacher education program, approved by the State Board of Education, at a participating institution as a summer school student, and who plan to complete requirements for certification in the specified critical shortage field. An individual who owes repayment of a grant or work-study award, or who is in default in repayment of any loan owed to the authority, is not eligible to receive a loan until such financial obligations to the authority are satisfied, provided, however, that ineligibility for this reason may be

waived, at the recommendation of a designated staff review committee for cause.

(2) Eligible applicants for such loans must already possess a Kentucky teacher certificate.

(3) For first time eligible applicants, priority for such loans will be given in rank order established on the basis of the following weighted criteria:

(a) Relative need for teachers within the critical shortage field as determined by the Department of Education or a survey of local school district superintendents. Weight: maximum thirty (30) points out of 100.

(b) The applicant's cumulative grade point average for undergraduate study. Weight: maximum twenty-five (25) points for grade point averages in the 3.5 to 4.0 range; maximum twenty (20) points for averages in the 3.0 to 3.4 range; and maximum fifteen (15) points for averages in the 2.5 to 2.9 range.

(c) National Teacher Examination (NTE) or Graduate Record Examination (GRE) scores. Scores of applicants from minority population groups will be measured relative to the average scores for such minority population groups, when available. Weight: maximum twenty (20) points for scores in the ninety (90) to ninety-nine (99) percentile range; maximum fifteen (15) points for scores in the eighty (80) to eighty-nine (89) percentile range; maximum ten (10) points for scores in the seventy (70) to seventy-nine (79) percentile range.

(d) Consideration to teachers teaching out of field in one of the critical shortage fields on or before December 1 of the year preceding the year for which the award is made. Weight: maximum fifteen (15) points out of 100.

(e) Proximity to completion of certification requirements in one of the critical shortage fields. Weight: maximum ten (10) points out of 100.

(4) Once all the criteria in subsection (3) of this section have been evaluated and two (2) or more applicants are equally ranked, selection between the applicants will be made on the basis of the date the application is received by the participating institution.

(5) Certified teachers, who received a loan under this program pursuant to prior administrative regulations, to pursue certification in a critical shortage field on a part-time basis during the regular school year, shall be eligible to receive additional loans in accordance with this administrative regulation to complete such certification. Such loans shall not exceed tuition and institutional fees payable by such a recipient in a qualified teacher education program.

(6) The amount of a summer loan under this section for a recipient shall not exceed the total cost of attendance determined by the participating institution. The maximum summer loan for teachers enrolled full time in a qualified teacher education program shall be \$833 per summer session. The aggregate maximum for loans under this section shall be \$2500.

Section 4. Student Certification Eligibility. (1) At least seventy (70) percent of the annual appropriation for KRS 164.768 will be used to provide incentive loans to persons enrolled full time as a sophomore, junior, or senior in a qualified teacher education program approved by the State Board of Education at a participating institution with the intention of obtaining certification to teach in one of the critical shortage fields. An individual who owes repayment of a grant or work-study award, or who is in default in repayment of any loan owed to the authority, is not eligible to receive a loan until such financial obligations to the authority are satisfied, provided, however, that ineligibility for this reason may be waived, at the sole discretion of the executive director of the authority, for cause.

(2) Eligible applicants for loans must have a grade point average of at least 2.5 computed on a 4.0 scale.

(3) The participating institution shall establish a screening committee to verify that applicants from that institution are eligible for a loan under this section. The committee will certify that eligible loan applicants have a reasonable chance for completing the qualified teacher education program

in the selected major. The committee shall rank all eligible first-time applicants based on the following criteria:

(a) Relative need for teachers within the critical shortage fields as determined by the Department of Education or a survey of local district superintendents. Weight: maximum fifty (50) points.

(b) Cumulative high school grade point average or, for persons holding a bachelor's degree, cumulative undergraduate grade point average. Weight: maximum thirty (30) points for averages in the 3.5 to 4.0 range; maximum twenty (20) points for averages in the 3.0 to 3.4 range; and maximum ten (10) points for averages in the 2.5 to 2.9 range.

(c) College entrance examination score or, for persons holding a bachelor's degree, Graduate Record Examination (GRE) score. Scores of applicants from minority population groups will be measured relative to the norms for such minority population groups, when available. Weight: maximum twenty (20) points for scores in the ninety (90) to ninety-nine (99) percentile range; maximum fifteen (15) points for scores in the eighty (80) to eighty-nine (89) percentile range; maximum ten (10) points for scores in the seventy (70) to seventy-nine (79) percentile range.

(4) Once all criteria in subsection (3) of this section have been evaluated and two (2) or more applicants are equally ranked, priority shall be given first to graduates of Kentucky high schools and second to Kentucky residents, and then based upon the date the application is received by the participating institution

(5) The amount of loan under this section for a student shall not exceed the student's total cost of attendance determined by the participating institution. The maximum amount of loan for recipients under this section shall be \$1,250 per semester or \$2,500 per academic year. Summer school loans shall not exceed \$833, and shall be in addition to the academic year maximum. The aggregate maximum for loans under this section shall be \$7,500.

Section 5. Application. Applications for loans will be received, evaluated and verified by the screening committee at the participating institution where the applicant intends to enroll. Applications must be submitted by a deadline set annually by the authority. The participating institution shall forward the applications, ranking, and supporting documentation of the eligible applicants to the authority. Loans for summer session attendance shall be made upon separate application.

Section 6. Renewal. Applicants who have successfully completed one (1) or more summer sessions or semesters in the program, maintain a 2.5 grade point average computed on a 4.0 scale and make normal progress toward completion of certification requirements in one (1) of the critical shortage fields, as determined by the participating institution, qualify for subsequent loans, upon application, and shall receive priority over new applicants. Loans pursuant to Section 3 of this administrative regulation shall be renewed for a maximum of two (2) summer sessions.

Section 7. Use of Loan Proceeds. Proceeds of a loan under Sections 3 or 4 of this administrative regulation shall be used by the recipient first for payment of tuition and other institutional charges payable by the recipient to the participating institution, and thereafter for other educational related expenses.

Section 8. Reallocation of Funds. (1) principal and interest paid by recipients, and any money not utilized under Section 3 of this administrative regulation shall be used to make additional loans under Section 4 of this administrative regulation.

(2) In the event that funds are not sufficient to award all applicants, loans shall first be awarded to those qualifying applicants who previously received loans. In the event that funds are insufficient to award all prior recipients who are qualified applicants, then loans shall be prorated in accordance with the cumulative amount previously received by the applicant. If funds are sufficient

to award new applicants, an award shall be made first to the applicant with the highest score on the selection criteria and, thereafter, in descending order to persons having lower scores until all available funds are exhausted.

Section 9. Disbursements. Disbursements of loans shall be made at the beginning of each semester or summer session and such disbursement shall be evidenced by a promissory note, prescribed by the authority, in which the loan recipient shall agree to repay the loan or render qualified teaching service in lieu thereof.

Section 10. Notifications. Recipients shall notify the authority within thirty (30) days of:

- (1) Change in enrollment status;
- (2) Cessation of enrollment in a qualified teacher education program;
- (3) Employment in a qualified teaching service position; or
- (4) Change of address.

Section 11. Withdrawals. Loan recipients who, prior to completion, cease to be enrolled on a full-time basis in a qualified teacher education program at a participating institution, shall immediately become liable for the repayment to the authority of the sum of all loans received plus interest accrued thereon unless such recipient has an approved deferment pursuant to 11 KAR 7:020. For purposes of this section, teachers seeking recertification in accordance with Section 3 of this administrative regulation are considered enrolled on a full-time basis for so long as they continue to enroll full time in consecutive summer sessions while making normal progress toward completion of certification requirements as determined by the participating institution.

Section 12. Repayment. Recipients who do not begin employment in a qualified teaching service position within the six (6) month period following completion of a qualified teacher education program in a participating institution (excluding periods of deferment pursuant to 11 KAR 7:020) shall immediately become liable to the authority for repayment of principal and interest accrued, pursuant to the earliest promissory note then outstanding. In each semester thereafter, during which a recipient does not render qualified teaching service, repayment of an additional promissory note shall become due, proceeding sequentially from the promissory note having the earliest date to the most recent date.

Section 13. Repayment Schedule. Written notification of demand shall be sent by the authority to the loan recipient's last known address and shall be effective upon mailing. The authority may agree, in its sole discretion, to accept repayment in installments in accordance with a schedule established by the authority. In the event that more than one (1) promissory note has come due for repayment and remains unpaid, then payments shall first be applied to the earliest unpaid promissory note. Payments shall be applied first to accrued interest and then to principal.

Section 14. Cancellation. (1) In order to receive cancellation of a promissory note and the interest thereon, a loan recipient must render qualified teaching service in a public school during a semester. One such promissory note shall be cancelled for each semester during which qualified teaching service is verified to the authority. Such cancellations of promissory notes shall be in sequential order beginning with the earliest promissory note.

(2) In the event that a recipient has received loans or scholarships from more than one (1) program administered by the authority, which require a period of qualified teaching service for repayment or cancellation, such teaching requirements shall not be fulfilled concurrently. Unless the authority determines otherwise for cause, loans or scholarships from more than one (1) program

shall be repaid or cancelled by qualified teaching service in the same order in which they were received.

(3) Verification of qualified teaching service shall be submitted to the authority in writing, signed by the local school district superintendent or building principal, within thirty (30) days of the date a loan recipient completes such qualified teaching service.

Section 15. Interest. The interest rate on loans made under KRS 156.611 or 164.768 after July 1, 1986, shall be twelve (12) percent per annum simple interest. The interest rate shall remain fixed for the duration of the loan. Interest accruing on the unpaid principal of each promissory note shall be computed from the date of disbursement of the respective promissory note, and such interest shall continue to accrue until the promissory note is paid in full pursuant to Sections 11 or 12 of this administrative regulation or cancelled pursuant to Section 14 of this administrative regulation. In the event that the loan is not repaid or cancelled in accordance with the terms of the promissory note and related repayment schedule, if any, and judgment is rendered on the debt, then the annual interest rate shall, from the date of such judgment, not exceed four (4) percent in excess of the discount rate on ninety (90) day commercial paper in effect at the Federal Reserve Bank in the Federal Reserve District where the transaction is consummated or nineteen (19) percent, whichever is less, provided that it shall not be less than the face rate of the promissory note.

Section 16. Records. A participating institution shall maintain complete and accurate records pertaining to the eligibility, enrollment and progress of students receiving aid under this program and the disbursement of funds and institutional charges as may be necessary to audit the disposition of funds hereunder. Such records shall be maintained for at least five (5) years after the student ceases to be enrolled at the participating institution.

Section 17. Refunds. A participating institution shall refund to the authority, within forty (40) days of a recipient's last date of attendance, any amount attributable to this program which is determined to be due under the institution's refund policy.

Section 18. Information Dissemination and Recruitment. The authority shall disseminate information through high school counselors and school superintendents about this program to potential recipients. Participating institutions shall provide assurances that program information will be disseminated to freshmen and sophomores enrolled at that institution. Participating institutions shall actively recruit students from minority population groups for participation in this program. (12 Ky.R. 1447; eff. 3-4-1986; 13 Ky.R. 21; 499; eff. 8-12-1987; 1607; eff. 4-14-1987; 17 Ky.R. 2007; eff. 2-7-1991; Crt eff. 9-28-2018.)