

1 AN ACT relating to postsecondary financial aid, making an appropriation therefor,  
2 and declaring an emergency.

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

4 ➔SECTION 1. A NEW SECTION OF KRS 164.740 TO 164.7891 IS CREATED  
5 TO READ AS FOLLOWS:

6 *(1) It is the intent of the General Assembly to establish the Work Ready Kentucky*  
7 *Scholarship Program to ensure all Kentucky students have affordable access to*  
8 *obtaining a postsecondary degree and Kentucky has a skilled, competitive*  
9 *workforce.*

10 *(2) For purposes of this section:*

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

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

13 *(c) "Authority" means the Kentucky Higher Education Assistance Authority;*

14 *(d) "Participating institution" means an "institution" as defined in KRS*  
15 *164.001 that actively participates in the federal Pell Grant program,*  
16 *executes a contract with the authority on terms the authority deems*  
17 *necessary or appropriate for the administration of its programs, and is a:*

18 *1. Kentucky Community and Technical College System institution;*

19 *2. Four (4) year Kentucky public college or university; or*

20 *3. Four (4) year independent, nonprofit Kentucky college or university*  
21 *licensed by the Council on Postsecondary Education; and*

22 *(e) "Tuition" means the in-state tuition and mandatory fees amount charged to*  
23 *all students as a condition of enrollment in a participating institution.*

24 *(3) The authority shall administer the Work Ready Kentucky Scholarship Program*  
25 *and shall promulgate administrative regulations in accordance with KRS*  
26 *Chapter 13A as may be needed for the administration of the program.*

27 *(4) To be eligible for a Work Ready Kentucky Scholarship, a student shall:*

- 1        (a) Be a citizen or permanent resident of the United States;
- 2        (b) Be a Kentucky resident as determined by the participating institution in  
3                accordance with criteria established by the Council on Postsecondary  
4                Education for the purposes of admission and tuition assessment;
- 5        (c) Complete and submit a Work Ready Kentucky Scholarship application to  
6                the authority by a deadline established by the authority;
- 7        (d) Complete the Free Application for Federal Student Aid for the academic  
8                year in which the scholarship is made by a deadline established by the  
9                authority;
- 10       (e) Enroll in a participating institution:
- 11                1. In the fall academic term immediately following graduation from a  
12                Kentucky high school, except a student graduating in December may  
13                enroll in the spring academic term immediately following graduation;  
14                or
- 15                2. Prior to the student's nineteenth birthday after obtaining a General  
16                Educational Development (GED) diploma;
- 17        (f) Enroll or be accepted for enrollment in a program of study that leads to a  
18                certificate, diploma, or associate's degree;
- 19        (g) Enroll in at least fifteen (15) credit hours for the academic term; and
- 20        (h) Not be in default on any obligation to the authority under any program  
21                administered by the authority under KRS 164.740 to 164.7891 or 164.7894,  
22                except that ineligibility for this reason may be waived by the authority for  
23                cause.
- 24       (5) To the extent funds are available, the Work Ready Kentucky Scholarship amount  
25                awarded to a student for an academic term shall be the amount remaining after  
26                subtracting the student's federal and state grants and scholarships from the  
27                tuition amount charged to the student. Work study and student loan funds shall

1 not be included in the calculation.

2 (6) (a) A student shall have at least a 2.0 grade point average each academic term  
3 to retain the Work Ready Kentucky Scholarship in a subsequent academic  
4 term.

5 (b) If the student interrupts enrollment during the academic term for any  
6 reason specified in subsection (8) of this section, and the participating  
7 institution does not certify a grade point average for that student at the end  
8 of that academic term, the student shall retain eligibility for the academic  
9 term in which he or she resumes enrollment.

10 (c) A student who does not meet the grade point average requirement may  
11 regain eligibility for a subsequent academic term upon establishing at least  
12 a 2.0 cumulative grade point average, as certified by the participating  
13 institution.

14 (7) A student's eligibility for the scholarship shall terminate upon the earlier of:

15 (a) Receiving the scholarship for four (4) academic terms;

16 (b) Obtaining an associate's degree; or

17 (c) Six (6) academic terms following the student's high school graduation.

18 (8) The expiration of a student's six (6) academic terms under subsection (7) of this  
19 section shall be extended by the authority upon a determination that the student  
20 was unable to enroll for or complete an academic term due to a serious and  
21 extended illness or injury of the student, the death or serious and extended illness  
22 or injury of an immediate family member of the student, natural disasters that  
23 would render a student unable to attend classes, or military deployment.  
24 Extensions granted under this subsection shall not exceed two (2) academic  
25 terms.

26 (9) Beginning with the 2017-2018 academic year, the authority shall award a Work  
27 Ready Kentucky Scholarship each academic term to any person who meets the

1 requirements of this section to the extent funds are available for that purpose.

2 The authority may promulgate an administrative regulation providing a process  
3 for making adjustments to scholarship award amounts after considering the  
4 availability of funds.

5 (10) Beginning with the 2017-2018 academic year, each participating institution shall  
6 submit information each academic term to the authority required for the  
7 administration of the scholarship program as determined by the authority.

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

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

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

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

21 ➔Section 2. Whereas the scholarship program created in this Act will begin with  
22 the 2017-2018 academic year to provide immediate assistance to Kentucky students, an  
23 emergency is declared to exist, and this Act takes effect upon its passage and approval by  
24 the Governor or upon its otherwise becoming a law.