

1 AN ACT relating to a teacher scholarship pilot program, making an appropriation  
2 therefor, and declaring an emergency.

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

4 ➔Section 1. KRS 164.769 is amended to read as follows:

- 5 (1) It is the intent of the General Assembly to establish a teacher scholarship program to  
6 assist highly qualified individuals to become certified Kentucky teachers and render  
7 teaching service in Kentucky schools.
- 8 (2) For purposes of this section, the terms listed below shall have the following  
9 meanings:
- 10 (a) "Critical shortage area" means an understaffing of teachers in particular  
11 subject matters at the secondary level, in grade levels, or in geographic  
12 locations at the elementary and secondary level, as determined by the  
13 commissioner of education in consultation with the authority. The  
14 commissioner and the authority may use any source considered reliable,  
15 including but not limited to local education agencies, to identify the critical  
16 shortage areas;
- 17 (b) "Dual credit" has the same meaning as in KRS 158.007;
- 18 (c) "Eligible program of study" means an undergraduate or graduate program of  
19 study which is preparatory to teacher certification;
- 20 (d) "Expected family contribution" means the amount that a student and his  
21 family are expected to contribute toward the cost of the student's education  
22 determined by applying methodology set forth in 20 U.S.C. sec. 1087 kk to  
23 1087 vv;
- 24 (e) "Participating institution" means an institution of higher education located in  
25 Kentucky which offers an eligible program of study and has in force an  
26 agreement with the authority providing for administration of this program;
- 27 (f) "Qualified teaching service" means teaching the major portion of each school

1 day for at least seventy (70) days each semester in a public school of the  
2 Commonwealth or a private school certified pursuant to KRS 156.160(3),  
3 except that an individual having a disability defined by Title II of the  
4 Americans with Disabilities Act (42 U.S.C. secs. 12131 et seq.) or serious and  
5 extended illness, whose disability or illness, certified by a licensed physician,  
6 prevents that individual from teaching a major portion of each school day,  
7 shall be deemed to perform qualified teaching service by teaching the  
8 maximum time permitted by the attending physician;

9 (g) "Semester" means a period of about eighteen (18) weeks, which usually makes  
10 up one-half (1/2) of a school year or one-half (1/2) of a participating  
11 institution's academic year; ~~and~~

12 (h) **"STEM" means science, technology, engineering, or mathematics; and**

13 **(i)** "Summer term" means an academic period consisting of one (1) or more  
14 sessions of instruction between a spring and a fall semester.

15 (3) The authority may, to the extent of appropriations and other funds available to it  
16 pursuant to subsection (9) of this section, award teacher scholarships to persons  
17 eligible under subsection (4) of this section, who initially demonstrate financial  
18 need in accordance with standards and criteria established by the authority or  
19 received teacher scholarships pursuant to this section prior to July 1, 1996. Each  
20 teacher scholarship shall be evidenced by a promissory note that requires repayment  
21 or cancellation pursuant to subsection (6) of this section.

22 (4) Kentucky residents who are United States citizens and enrolled or accepted for  
23 enrollment in an eligible program of study at a participating institution shall be  
24 eligible to apply for and be awarded teacher scholarships. Teacher scholarships shall  
25 first be awarded to highly qualified eligible students who meet standards and  
26 requirements established by the Education Professional Standards Board pursuant to  
27 KRS 161.028 for admission to a teacher education program at a participating

1 institution in pursuit of initial teacher certification. If funds are not depleted after  
2 awarding teacher scholarships to students who meet the preceding criteria, then  
3 awards shall be made to any otherwise eligible students.

4 (5) The authority shall establish, by administrative regulation, the maximum amount of  
5 scholarship to be awarded for each semester and summer term under this section,  
6 and shall prorate the amount awarded to any student enrolled less than full-time ~~in~~  
7 ~~accordance with subsection (6)(a) of this section~~. The aggregate amount of  
8 scholarships awarded to an individual shall not exceed twelve thousand five  
9 hundred dollars (\$12,500) for undergraduate students and seven thousand five  
10 hundred dollars (\$7,500) for postbaccalaureate students, except that the aggregate  
11 amount of scholarships awarded to an individual who received teacher scholarships  
12 pursuant to this section prior to July 1, 1996, including any amount received  
13 pursuant to KRS 156.611, 156.613, 164.768, or 164.770, shall not exceed twenty  
14 thousand dollars (\$20,000). The amount of each scholarship to be awarded shall not  
15 exceed the applicant's total cost of education minus other financial assistance  
16 received or expected to be received by the applicant during the academic period.

17 (6) (a) The authority shall disburse teacher scholarships to eligible students who  
18 agree to render qualified teaching service as certified teachers, and are  
19 unconditionally admitted and enrolled in an eligible program of study.

20 (b) A teacher scholarship shall not be awarded or a promissory note cancellation  
21 shall not be granted to any person who is in default on any obligation to the  
22 authority under any program administered by the authority pursuant to KRS  
23 164.740 to 164.785 until financial obligations to the authority are satisfied,  
24 except that ineligibility for this reason may be waived by the authority for  
25 cause.

26 (c) Recipients shall render one (1) semester of qualified teaching service for each  
27 semester or summer term of scholarship received, except that recipients who

1 teach in a critical shortage area designated by the authority or teach dual credit  
2 coursework in a certified Kentucky high school shall render one (1) semester  
3 of qualified teaching service as repayment for two (2) semesters or summer  
4 terms of scholarships received. Upon completion of each semester of qualified  
5 teacher service, the authority shall cancel the appropriate number of  
6 promissory notes.

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

15 (e) Recipients who have outstanding loans or scholarships under KRS 156.611,  
16 156.613, 164.768, or 164.770 respectively, and who render qualified teaching  
17 service, shall have their notes canceled in accordance with subsection (6)(c) of  
18 this section.

19 (f) The authority shall establish, by administrative regulation, the terms and  
20 conditions for the award, cancellation, and repayment of teacher scholarships  
21 including, but not limited to, the selection criteria, eligibility for renewal  
22 awards, amount of scholarship payments, deferments, the rate of repayment,  
23 and the interest rate thereon.

24 (g) Notwithstanding any other statute to the contrary, the maximum interest rate  
25 applicable to repayment of a promissory note under this section shall be  
26 twelve percent (12%) per annum, except that if a judgment is rendered to  
27 recover payment, the judgment shall bear interest at the rate of five percent

1 (5%) greater than the rate actually charged on the promissory note.

2 (7) A repayment obligation imposed by this section shall not be voidable by reason of  
3 the age of the recipient at the time of receiving the teacher scholarship.

4 (8) Failure to meet repayment obligations imposed by this section shall be cause for the  
5 revocation of a person's teaching certificate, subject to the procedures set forth in  
6 KRS 161.120.

7 (9) All moneys repaid to the authority under this section shall be added to the  
8 appropriations made for purposes of this section, and the funds and unobligated  
9 appropriations shall not lapse.

10 (10) The authority may execute appropriate contracts and promissory notes for  
11 administering this section.

12 (11) Notwithstanding any other statute to the contrary, if available funds are insufficient  
13 for all requested scholarships for eligible applicants during any fiscal year, the  
14 authority shall give priority consideration to eligible applicants who previously  
15 received teacher scholarships and, until June 30, 2018, to loan forgiveness for  
16 teachers who have outstanding loan balance eligibility for Best in Class loans issued  
17 prior to June 30, 2008. If funds are insufficient to make all requested renewal  
18 scholarships to eligible applicants, the authority shall reduce all scholarship awards  
19 to the extent necessary to provide scholarships to all qualified renewal applicants.  
20 If, after awarding all eligible renewal applicants, funds are not depleted, initial  
21 applications shall be ranked according to regulatory selection criteria, which may  
22 include expected family contribution and application date, and awards shall be  
23 made to highly qualified applicants until funds are depleted.

24 **(12) (a) For the 2018-2019 and 2019-2020 academic years, a pilot program is**  
25 **established to provide scholarships to students who are pursuing a teaching**  
26 **career in a STEM-related discipline at the middle or high school level.**  
27 **Unless otherwise provided in this subsection, the STEM pilot program**

1 *scholarships shall be administered in the same way as teacher scholarships*  
2 *under this section.*

3 *(b) If funds are appropriated by the General Assembly for this purpose, five (5)*  
4 *students shall be awarded a scholarship of up to ten thousand dollars*  
5 *(\$10,000) each semester of the pilot program for a maximum of four (4)*  
6 *semesters.*

7 *(c) To participate in the pilot program, a student shall be enrolled full-time in a*  
8 *STEM-related eligible program of study that is approved for the pilot*  
9 *program by the authority and maintain a 3.0 grade point average. If more*  
10 *than five (5) qualified students apply for the scholarship, the authority shall*  
11 *determine the criteria for priority consideration.*

12 *(d) After the initial scholarships are awarded, if less than five (5) of the*  
13 *students remain eligible to participate in the pilot program for a subsequent*  
14 *semester, the authority shall award scholarships to new pilot program*  
15 *participants so that a total of five (5) scholarships are awarded each*  
16 *semester. Students who are first awarded scholarships after the initial*  
17 *semester of the pilot program shall not be retroactively awarded*  
18 *scholarships for previous semesters of the pilot program.*

19 *(e) Recipients shall render one (1) semester of qualified teaching service in a*  
20 *STEM subject area, as determined by the authority, at the middle or high*  
21 *school level as repayment for four thousand dollars (\$4,000) of the total*  
22 *scholarship amount received until qualified teaching service equaling one*  
23 *hundred percent (100%) of the scholarship amount is rendered.*

24 ➔Section 2. Whereas the pilot scholarship program created in this Act begins  
25 with the 2018-2019 academic year, and immediate planning and preparation is required  
26 for timely implementation of the new scholarship program, an emergency is declared to  
27 exist, and this Act takes effect upon its passage and approval by the Governor or upon its

- 1 otherwise becoming a law.