

1 AN ACT relating to scholarships.

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

3 ➔Section 1. KRS 164.786 is amended to read as follows:

4 (1) For purposes of this section:

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

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

7 (c) "Approved dual credit course" means a dual credit course developed in
8 accordance with KRS 164.098 and shall include general education courses
9 and career and technical education courses within a career pathway approved
10 by the Kentucky Department of Education that leads to an industry-recognized
11 credential;

12 (d) "Authority" means the Kentucky Higher Education Assistance Authority;

13 (e) "Dual credit" has the same meaning as in KRS 158.007;

14 (f) "Dual credit tuition rate ceiling" means one-third (1/3) of the per credit hour
15 tuition amount charged by the Kentucky Community and Technical College
16 System for in-state students;

17 (g) "Eligible high school student" means a student who:

18 1. Is a Kentucky resident;

19 2. Is enrolled in a Kentucky high school~~[as a senior or junior]~~;

20 3. Has completed a thirty (30) minute college success counseling session;
21 and

22 4. Is enrolled, or accepted for enrollment, in an approved dual credit course
23 at a participating institution;

24 (h) "Participating institution" means a postsecondary institution that:

25 1. Has an agreement with the authority for the administration of the Dual
26 Credit Scholarship Program;

27 2. Charges no more than the dual credit tuition rate ceiling per credit hour,

- 1 including any additional fees, for any dual credit course it offers to any
 2 Kentucky public or nonpublic high school student;
- 3 3. Does not charge any tuition or fees to an eligible high school student for
 4 an approved dual credit course beyond what is paid by the Dual Credit
 5 Scholarship Program when the course is not successfully completed; and
- 6 4. Is a:
- 7 a. Kentucky Community and Technical College System institution;
- 8 b. Four (4) year Kentucky public college or university; or
- 9 c. Four (4) year private college or university that is accredited by the
 10 Southern Association of Colleges and Schools and whose main
 11 campus is located in Kentucky; and
- 12 (i) "Successfully completed" means a student receiving both secondary and
 13 postsecondary credit upon completion of an approved dual credit course.
- 14 (2) To promote dual credit coursework opportunities at no cost to eligible Kentucky
 15 high school students, the General Assembly hereby establishes the Dual Credit
 16 Scholarship Program.
- 17 (3) In consultation with the Council on Postsecondary Education, the Kentucky
 18 Department of Education, and the Education and Workforce Development
 19 Cabinet, the authority shall administer the Dual Credit Scholarship Program and
 20 shall promulgate administrative regulations in accordance with KRS Chapter 13A
 21 as may be needed for the administration of the program.
- 22 (4) (a) Each high school shall apply to the authority for dual credit scholarship funds
 23 for each eligible high school student.
- 24 (b) The authority may award a dual credit scholarship to an eligible high school
 25 student for an academic term to the extent funds are available for that purpose,
 26 except that priority for awarding a scholarship shall be given in
 27 order~~awarded~~ to an eligible high school senior, ~~prior to awarding an~~

- 1 ~~eligible high school~~ junior, sophomore, and freshman.
- 2 (c) An eligible high school student may receive a dual credit scholarship for a
3 maximum of ten (10) approved dual credit courses as follows:
- 4 1. Two (2) successfully completed career and technical education dual
5 credit courses per academic year; and
- 6 2. A total of two (2) successfully completed general education dual credit
7 courses over the junior and senior year.
- 8 (d) The dual credit scholarship award amount shall be equal to the amount
9 charged by a participating institution, not to exceed the dual credit tuition rate
10 ceiling for each dual credit hour, except the scholarship amount shall be
11 reduced by fifty percent (50%) if the dual credit course is not successfully
12 completed by the student.
- 13 (e) Dual credit scholarship funds shall not be used for remedial or developmental
14 coursework.
- 15 (5) Each participating institution shall submit information each academic term to the
16 authority required for the administration of the scholarship as determined by the
17 authority.
- 18 (6) Beginning August 1, 2017, and each year thereafter, the authority shall provide a
19 report to the secretary of the Education and Workforce Development Cabinet, the
20 president of the Council on Postsecondary Education, and the commissioner of the
21 Kentucky Department of Education to include:
- 22 (a) The number of students, by local school district and in total, served by the
23 Dual Credit Scholarship Program; and
- 24 (b) The number of general education and career and technical education dual
25 credits earned by students by high school and in total.
- 26 (7) By May 31, 2019, and each year thereafter, the Kentucky Center for Education and
27 Workforce Statistics, in collaboration with the authority, shall publish data on the

1 Dual Credit Scholarship Program's academic and workforce outcomes. The center
 2 shall annually provide a report on the data to the Interim Joint Committee on
 3 Education.

4 (8) (a) The Dual Credit Scholarship Program trust fund is hereby created as a trust
 5 fund in the State Treasury to be administered by the Kentucky Higher
 6 Education Assistance Authority for the purpose of providing scholarships
 7 described in this section.

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

12 (c) Any unallotted~~unalloted~~ or unencumbered balances in the trust fund shall be
 13 invested as provided in KRS 42.500(9). Income earned from the investments
 14 shall be credited to the trust fund.

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

18 ➔Section 2. KRS 164.787 is amended to read as follows:

19 (1) The General Assembly hereby establishes the Better~~Work-Ready~~ Kentucky
 20 Promise Scholarship Program to increase the education and training level of
 21 Kentucky citizens, strengthen workforce preparation, and ensure that all
 22 Kentuckians who have not yet earned a postsecondary degree have affordable
 23 access to a~~an industry-recognized~~ certificate, diploma, or associate~~of applied~~
 24 ~~science~~ degree.

25 (2) For purposes of this section:

26 (a) "Academic term" means a fall, spring, or summer academic term or other time
 27 period specified in an administrative regulation promulgated by the authority;

- 1 (b) "Academic year" means July 1 through June 30 of each year;
- 2 (c) ~~["Approved dual credit course" means a dual credit course developed in~~
 3 ~~accordance with KRS 164.098 that is a career and technical education course~~
 4 ~~within a career pathway approved by the Kentucky Department of Education~~
 5 ~~that leads to an industry recognized credential;~~
- 6 (d) ~~"Dual credit tuition rate ceiling" means the same as defined in 164.786;~~
- 7 (e) ~~]~~"Eligible institution" means an institution defined in KRS 164.001 that:
- 8 1. Actively participates in the federal Pell Grant program;
- 9 2. Executes a contract with the authority on terms the authority deems
 10 necessary or appropriate for the administration of its programs; ***and***
- 11 3. ~~[Charges no more than the dual credit tuition rate ceiling per credit hour,~~
 12 ~~including any additional fees, for any dual credit course it offers to any~~
 13 ~~Kentucky public or nonpublic high school student; and~~
- 14 4. ~~]~~Is a:
- 15 a. Kentucky Community and Technical College System institution;
- 16 b. Kentucky public university; or
- 17 c. ***Nonprofit college or university that is accredited by a United***
 18 ***States Department of Education recognized regional accrediting***
 19 ***body and licensed by the Council on Postsecondary***
 20 ***Education***~~[college, university, or vocational technical school that~~
 21 ~~is accredited by a recognized regional or national accrediting body~~
 22 ~~and licensed]~~ to operate at a site in Kentucky;
- 23 (d)~~(f)~~ "Eligible program of study" means a program approved by the ***Council***
 24 ***on Postsecondary Education***~~[authority]~~ that leads to ***a sub-associate***~~[an~~
 25 ~~industry recognized]~~ certificate ***or***~~[,]~~ diploma~~[,]~~ or ***an*** associate~~[of applied~~
 26 ~~science]~~ degree~~[in one (1) of Kentucky's top five (5) high demand workforce~~
 27 ~~sectors identified by the Kentucky Workforce Innovation Board and the~~

1 ~~Education and Workforce Development Cabinet~~;

2 ~~(e)(g)~~ "Fees" means mandatory fees charged by an eligible institution for
3 enrollment ~~in a course, including but not limited to online course fees, lab~~
4 ~~fees, and administrative fees. "Fees" does not include tools, books, or other~~
5 ~~instructional materials that may be required for a course~~; and

6 ~~(f)(h)~~ "Tuition" means the in-state tuition charged to all students as a condition
7 of enrollment in an eligible institution.

8 (3) In consultation with the Education and Workforce Development Cabinet~~, the~~
9 ~~Kentucky Department of Education,~~ and the Council on Postsecondary Education,
10 the Kentucky Higher Education Assistance Authority shall administer the
11 **Better**~~[Work Ready]~~ Kentucky **Promise** Scholarship Program and promulgate
12 administrative regulations in accordance with KRS Chapter 13A as may be needed
13 for the administration of the scholarship.

14 (4) ~~[An eligible high school student shall:~~

15 ~~(a) Be a Kentucky resident;~~

16 ~~(b) Be enrolled in a Kentucky high school;~~

17 ~~(c) Be enrolled, or accepted for enrollment, in an approved dual credit course at~~
18 ~~an eligible institution; and~~

19 ~~(d) Complete and submit a Work Ready Kentucky Scholarship dual credit~~
20 ~~application to the authority.~~

21 ~~(5) [An eligible [workforce] student shall:~~

22 (a) Be a citizen or permanent resident of the United States;

23 (b) Be a Kentucky resident as determined by the eligible institution in accordance
24 with criteria established by the Council on Postsecondary Education for the
25 purposes of admission and tuition assessment;

26 (c) Have earned a high school diploma or a High School Equivalency Diploma or
27 be enrolled in a High School Equivalency Diploma program;

- 1 (d) Not have earned an associate~~[associate's]~~ degree or higher level postsecondary
2 degree;
- 3 (e) Complete the Free Application for Federal Student Aid for the academic year
4 in which the scholarship is awarded;
- 5 (f) Complete and submit a Better~~[Work-Ready]~~ Kentucky Promise Scholarship
6 application to the authority;
- 7 (g) Be enrolled~~[Enroll]~~ in an eligible program of study at an eligible institution
8 no less than nine (9) hours each academic semester;
- 9 (h) Not be enrolled in an ineligible degree program, such as a bachelor~~[or~~
10 ~~unapproved associate]~~ program, at any postsecondary institution;
- 11 (i) Following the first academic term scholarship funds are received, achieve and
12 maintain satisfactory academic progress as determined by the eligible
13 institution; and
- 14 (j) Not be in default on any program under Title IV of the federal act or any
15 obligation to the authority under any program administered by the authority
16 under KRS 164.740 to 164.7891 or 164.7894, except that ineligibility for this
17 reason may be waived by the authority for cause.
- 18 ~~(5)~~~~(6)~~ (a) ~~[Beginning with the 2019-2020 academic year,]~~The authority shall
19 award a Better~~[Work-Ready]~~ Kentucky Promise Scholarship each academic
20 term to any person who meets the requirements of this section to the extent
21 funds are available for that purpose.
- 22 (b) The scholarship amount awarded to an eligible~~[workforce]~~ student for an
23 academic term shall be the amount remaining after subtracting the student's
24 federal and state grants and scholarships from the maximum scholarship
25 amount. The maximum scholarship amount shall be the per credit hour in-
26 state tuition rate at the Kentucky Community and Technical College System
27 multiplied by the number of credit hours in which the student is enrolled and

1 the fees charged to the student. The authority shall promulgate an
 2 administrative regulation in accordance with KRS Chapter 13A to specify the
 3 maximum amount to be awarded for fees, except that for the 2019-2020
 4 academic year the amount awarded for fees shall not exceed four hundred
 5 dollars (\$400).

6 ~~[(c) The scholarship award for an eligible high school student shall be limited to
 7 two (2) approved dual credit courses per academic year. The scholarship
 8 amount awarded shall be equal to the amount charged by an eligible
 9 institution for an approved dual credit course, in accordance with subsection
 10 (2)(e)3. of this section.]~~

11 ~~(6)~~~~[(7)]~~ An eligible ~~workforce~~ student's eligibility for the scholarship shall terminate
 12 upon the earlier of:

- 13 (a) Receiving the scholarship for six (6)~~four (4)~~ academic terms;
- 14 (b) Receiving the scholarship for a total of sixty (60) credit hours; or
- 15 (c) Obtaining an associate~~associate's~~ degree.

16 ~~(7)~~~~[(8)]~~ The authority shall annually provide a report on the Better~~Work Ready~~
 17 Kentucky Promise Scholarship Program to the Governor's Office and Legislative
 18 Research Commission, prepared in collaboration with the Office for Education and
 19 Workforce Statistics, the Council on Postsecondary Education, and~~to~~ the
 20 secretary of the Education and Workforce Development Cabinet that includes, by
 21 academic term, academic year, institution, and academic program~~workforce~~
 22 ~~sector, the number of~~:

- 23 (a) The number and demographics of students served by the scholarship and the
 24 total amount disbursed; and
- 25 (b) The number of credits and the number and types of~~Credits,~~ certificates,
 26 diplomas, and associate~~of applied science~~ degrees earned by students
 27 receiving the scholarship.

1 ~~(8)~~~~(9)~~ The authority shall report ~~*Better*~~~~[Work Ready]~~ Kentucky *Promise* Scholarship
2 program data to the Office for Education and Workforce Statistics for analysis of
3 the program's success in meeting the goal of increasing skilled workforce
4 participation rates.

5 ~~(9)~~~~(10)~~ (a) The ~~*Better*~~~~[Work Ready]~~ Kentucky *Promise* Scholarship fund is hereby
6 created as a trust fund in the State Treasury to be administered by the authority
7 for the purpose of providing scholarships as described in this section.

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

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

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

18 ➔Section 3. Students who participated in the Work Ready Kentucky Scholarship
19 Program under KRS 164.786 prior to the effective date of this Act may continue to
20 participate under the provisions of KRS 164.786 in effect prior to the effective date of
21 this Act.

22 ➔Section 4. This Act may be cited as the Better Kentucky Promise Scholarship
23 Act.