

1 AN ACT relating to student loan forgiveness for teachers and making an  
2 appropriation therefor.

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) The Teacher Recruitment Student Loan Forgiveness Program is hereby*  
7 *established to encourage and assist individuals in becoming certified teachers in*  
8 *Kentucky public schools.*

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

10 *(a) "Eligible student loan" means a federal or private student loan obtained by*  
11 *a student while pursuing an undergraduate program of study prior to*  
12 *becoming a certified teacher;*

13 *(b) "Eligible teacher" means a public school teacher who:*

14 *1. Is a Kentucky resident, as determined by the authority, using the*  
15 *criteria established by the Council on Postsecondary Education for the*  
16 *purposes of postsecondary admission and tuition assessment;*

17 *2. Is a citizen of the United States; and*

18 *3. Has not completed a year of qualified employment prior to the 2022-*  
19 *2023 school year;*

20 *(c) "Year of qualified employment" means satisfying a one (1) year teacher's*  
21 *contract with a local school district with the majority of the classroom time*  
22 *assigned to teaching; and*

23 *(d) "Total student loan balance" means the total principal and accrued interest*  
24 *amount of eligible student loans held by an eligible teacher.*

25 *(3) The program shall be administered by the Kentucky Higher Education Assistance*  
26 *Authority and all costs associated with the program, including the reimbursement*  
27 *of any expenses incurred by the authority in its administration of the program,*

1 shall be funded by state appropriations and other funds held in the trust fund  
2 created in subsection (7) of this section.

3 (4) To the extent funds are available, the authority shall provide on behalf of eligible  
4 teachers repayment of eligible student loans in the amount of twenty percent  
5 (20%) of the total student loan balance up to a maximum of eight thousand  
6 dollars (\$8,000) for each year of qualified employment beginning with the 2022-  
7 2023 school year and thereafter.

8 (5) The total amount of loan repayment for each eligible teacher shall not exceed  
9 forty thousand dollars (\$40,000) over a maximum of five (5) years.

10 (6) The authority shall promulgate administrative regulations in accordance with  
11 KRS Chapter 13A as may be needed for the administration of the program.

12 (7) (a) The Teacher Recruitment Student Loan Forgiveness Program fund is  
13 hereby created as a trust fund in the State Treasury to be administered by  
14 the authority for the purpose of providing loan repayment as described in  
15 this section.

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

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

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