

1 AN ACT relating to dual credit 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:

9 1. General education courses ***that meet the criteria outlined in the***
10 ***statewide general education core approved by the Council on***
11 ***Postsecondary Education;*** and

12 2. Career and technical education courses within a career pathway
13 approved by the Kentucky Department of Education that leads to an
14 industry-recognized credential;

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

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

17 (f) "Dual credit tuition rate ceiling" means ***one-half (1/2)***~~one-third (1/3)~~ of the
18 per credit hour tuition amount charged by the Kentucky Community and
19 Technical College System for in-state students;

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

21 1. Is a Kentucky resident;

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

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

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

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

- 1 1. Has an agreement with the authority for the administration of the Dual
2 Credit Scholarship Program;
- 3 2. *Does not offer any dual credit course to any Kentucky public or*
4 *nonpublic high school student that is not an approved dual credit*
5 *course as defined in this section;*
- 6 3. Charges no more than the dual credit tuition rate ceiling per credit hour,
7 including any additional fees, for any approved dual credit course it
8 offers to any Kentucky public or nonpublic high school student;
- 9 ~~4. [3.]~~ Does not charge any tuition or fees to an eligible high school student for
10 an approved dual credit course beyond what is paid by the Dual Credit
11 Scholarship Program when the course is not successfully completed; and
- 12 ~~5. [4.]~~ Is a:
- 13 a. Kentucky Community and Technical College System institution;
- 14 b. Four (4) year Kentucky public college or university; or
- 15 c. Four (4) year private college or university that is accredited by the
16 Southern Association of Colleges and Schools and whose main
17 campus is located in Kentucky; and
- 18 (i) "Successfully completed" means a student receiving both secondary and
19 postsecondary credit upon completion of an approved dual credit course.
- 20 (2) To promote dual credit coursework opportunities at no cost to eligible Kentucky
21 high school students, the General Assembly hereby establishes the Dual Credit
22 Scholarship Program.
- 23 (3) In consultation with the *Council on Postsecondary Education and the Kentucky*
24 *Department of* Education ~~and Labor Cabinet~~, the authority shall administer the
25 Dual Credit Scholarship Program and shall promulgate administrative regulations in
26 accordance with KRS Chapter 13A as may be needed for the administration of the
27 program.

- 1 (4) (a) Each high school shall apply to the authority for dual credit scholarship funds
2 for each eligible high school student.
- 3 (b) The authority may award a dual credit scholarship to an eligible high school
4 student for an academic term on a first-come, first-served basis by
5 application date, to the extent funds are available for that purpose~~[, except~~
6 ~~that a scholarship shall be awarded to an eligible high school senior prior to~~
7 ~~awarding an eligible high school junior].~~
- 8 (c) An eligible high school student may receive a dual credit scholarship for a
9 maximum of twelve (12) approved dual credit courses as follows:
- 10 1. Two (2) career and technical education ~~[successfully completed]~~ dual
11 credit courses per academic year; and
- 12 2. A total of four (4) general education dual credit courses over the
13 junior and senior year.
- 14 (d) The dual credit scholarship award amount shall be equal to the amount
15 charged by a participating institution, not to exceed the dual credit tuition rate
16 ceiling for each dual credit hour~~[, except the scholarship amount shall be~~
17 ~~reduced by fifty percent (50%) if the dual credit course is not successfully~~
18 ~~completed by the student].~~
- 19 (e) Dual credit scholarship funds shall not be used for remedial or developmental
20 coursework.
- 21 (5) Each participating institution shall submit information each academic term to the
22 authority required for the administration of the scholarship as determined by the
23 authority.
- 24 (6) ~~[Beginning August 1, 2017, and each year thereafter,]~~The authority shall provide
25 an annual~~[a]~~ report to ~~[the secretary of the Education and Labor Cabinet,]~~the
26 president of the Council on Postsecondary Education~~[,]~~ and the commissioner of the
27 Kentucky Department of Education to include:

1 (a) The number of students, by local school district and in total, served by the
2 Dual Credit Scholarship Program; and

3 (b) The number of general education and career and technical education dual
4 credits earned by students by high school and in total.

5 (7) By May 31 ~~of, 2019, and~~ each year~~[thereafter]~~, the Kentucky Center for~~[~~
6 ~~Education and Workforce]~~ Statistics, in collaboration with the authority, shall
7 publish data on the Dual Credit Scholarship Program's academic and workforce
8 outcomes. The center shall annually provide a report on the data to the Interim Joint
9 Committee on Education.

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

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

18 (c) Any unallotted~~[unalloted]~~ or unencumbered balances in the trust fund shall be
19 invested as provided in KRS 42.500(9). Income earned from the investments
20 shall be credited to the trust fund.

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

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

25 (1) The General Assembly hereby establishes the Work Ready Kentucky Scholarship
26 Program to ensure that all Kentuckians who have not yet earned a postsecondary
27 degree have affordable access to an industry-recognized certificate, diploma, or

1 associate of applied science degree and, for students with intellectual disabilities
 2 enrolled in comprehensive transition and postsecondary programs, affordable
 3 access to meaningful credentials to prepare for competitive integrated employment.

4 (2) For purposes of this section:

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

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

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

12 ~~(d) "Dual credit tuition rate ceiling" means the same as defined in 164.786;~~

13 ~~(e)~~ "Eligible institution" means an institution as defined in KRS 164.001 that:

14 1. Actively participates in the federal Pell Grant program;

15 2. Executes a contract with the authority on terms the authority deems
 16 necessary or appropriate for the administration of its programs; ***and***

17 3. ~~Charges no more than the dual credit tuition rate ceiling per credit hour,
 18 including any additional fees, for any dual credit course it offers to any
 19 Kentucky public or nonpublic high school student; and~~

20 4. ~~Is a:~~

21 a. Kentucky Community and Technical College System institution;

22 b. Kentucky public university; or

23 c. College, university, or vocational-technical school that is
 24 accredited by a recognized regional or national accrediting body
 25 and licensed to operate at a site in Kentucky;

26 ~~(d)~~ ~~(f)~~ "Eligible program of study" means a program approved by the authority
 27 that leads to an industry-recognized certificate, diploma, or associate of

1 applied science degree in one (1) of Kentucky's top five (5) high-demand
2 workforce sectors identified by the Kentucky Workforce Innovation Board
3 and the Education and Labor Cabinet or a program of study in a
4 comprehensive transition and postsecondary program that leads to a
5 credential, certificate, diploma, or degree;

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

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

12 (3) ~~[In consultation with the Education and Labor Cabinet, the Kentucky Department of~~
13 ~~Education, and the Council on Postsecondary Education,]~~The Kentucky Higher
14 Education Assistance Authority shall administer the Work Ready Kentucky
15 Scholarship Program and promulgate administrative regulations in accordance with
16 KRS Chapter 13A as may be needed for the administration of the scholarship.

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

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

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

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

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

24 ~~(5)]An eligible workforce student shall:~~

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

26 (b) Be a Kentucky resident as determined by the eligible institution in accordance
27 with criteria established by the Council on Postsecondary Education for the

- 1 purposes of admission and tuition assessment;
- 2 (c) 1. Have earned a high school diploma or a High School Equivalency
3 Diploma or be enrolled in a High School Equivalency Diploma
4 program; or
- 5 2. For a student enrolled in a comprehensive transition and postsecondary
6 program, have received an alternative high school diploma described in
7 KRS 158.140(2)(b) or have attended a Kentucky public high school and
8 is a student with an intellectual disability as defined in 34 C.F.R. sec.
9 668.231;
- 10 (d) Not have earned an associate's degree or higher level postsecondary degree;
- 11 (e) Complete the Free Application for Federal Student Aid for the academic year
12 in which the scholarship is awarded;
- 13 (f) Complete and submit a Work Ready Kentucky Scholarship application to the
14 authority;
- 15 (g) Enroll in an eligible program of study at an eligible institution;
- 16 (h) Not be enrolled in an ineligible degree program, such as a bachelor or
17 unapproved associate program, at any postsecondary institution;
- 18 (i) Following the first academic term scholarship funds are received, achieve and
19 maintain satisfactory academic progress as determined by the eligible
20 institution; and
- 21 (j) Not be in default on any program under Title IV of the federal act or any
22 obligation to the authority under any program administered by the authority
23 under KRS 164.740 to 164.7891 or 164.7894, except that ineligibility for this
24 reason may be waived by the authority for cause.
- 25 ~~(5) [(6)]~~ (a) ~~Beginning with the 2019-2020 academic year,~~ The authority shall
26 award a Work Ready Kentucky Scholarship each academic term to any person
27 who meets the requirements of this section to the extent funds are available

1 for that purpose.

2 (b) The scholarship amount awarded to an eligible workforce student for an
3 academic term shall be the amount remaining after subtracting the student's
4 federal and state grants and scholarships from the maximum scholarship
5 amount. The maximum scholarship amount shall be the per credit hour in-
6 state tuition rate at the Kentucky Community and Technical College System
7 multiplied by the number of credit hours in which the student is enrolled and
8 the fees charged to the student. The authority shall promulgate an
9 administrative regulation in accordance with KRS Chapter 13A to specify the
10 maximum amount to be awarded for fees~~], except that for the 2019-2020~~
11 ~~academic year the amount awarded for fees shall not exceed four hundred~~
12 ~~dollars (\$400)].~~

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

18 ~~(6) [(7)]~~ (a) Except as provided in paragraph (b) of this subsection, an eligible
19 workforce student's eligibility for the scholarship shall terminate upon the
20 earlier of:

- 21 1. Receiving the scholarship for a total of sixty (60) credit hours; or
- 22 2. Obtaining an associate's degree.

23 (b) For an eligible workforce student enrolled in a comprehensive transition and
24 postsecondary program, eligibility for the scholarship shall terminate upon the
25 earlier of completing the program or receiving the scholarship for up to nine
26 (9) academic terms within three (3) academic years.

27 ~~(7) [(8)]~~ The authority shall annually provide a report on the Work Ready Kentucky

1 Scholarship Program, prepared in collaboration with the Kentucky Center~~[Office]~~
2 for~~[Education and Workforce]~~ Statistics, to the secretary of the Education and
3 Labor Cabinet and the Legislative Research Commission for referral to the
4 Interim Joint Committee on Education that includes, by academic term, academic
5 year, institution, and workforce sector, the number of:

- 6 (a) Students served by the scholarship and the total amount disbursed;
7 (b) Credits, certificates, diplomas, and associate of applied science degrees earned
8 by students receiving the scholarship; and
9 (c) Students receiving the scholarship who are enrolled in a comprehensive
10 transition and postsecondary program and credentials earned by those
11 students.

12 ~~(8)~~~~(9)~~ The authority shall report Work Ready Kentucky Scholarship program data to
13 the Kentucky Center~~[Office]~~ for~~[Education and Workforce]~~ Statistics for analysis
14 of the program's success in meeting the goal of increasing skilled workforce
15 participation rates.

16 ~~(9)~~~~(10)~~ (a) The Work Ready Kentucky Scholarship fund is hereby created as a trust
17 fund in the State Treasury to be administered by the authority for the purpose
18 of providing scholarships as described in this section.

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

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

26 (d) Notwithstanding KRS 45.229, any fund balance at the close of the fiscal year
27 shall not lapse but shall be carried forward to the next fiscal year and

1 continuously appropriated only for the purposes specified in this section.

2 ➔Section 3. KRS 164.769 is amended to read as follows:

- 3 (1) It is the intent of the General Assembly to establish a teacher scholarship program
4 to assist highly qualified individuals to become certified Kentucky teachers and
5 render teaching service in Kentucky schools.
- 6 (2) For purposes of this section, the terms listed below shall have the following
7 meanings:
- 8 (a) "Critical shortage area" means an understaffing of teachers in particular
9 subject matters at the secondary level, in grade levels, or in geographic
10 locations at the elementary and secondary level, as determined by the
11 commissioner of education in consultation with the authority. The
12 commissioner and the authority may use any source considered reliable,
13 including but not limited to local education agencies, to identify the critical
14 shortage areas;
- 15 (b) "Dual credit" has the same meaning as in KRS 158.007;
- 16 (c) "Eligible program of study" means an undergraduate or graduate program of
17 study which is preparatory to teacher certification;
- 18 ~~(d) ["Expected family contribution" means the amount that a student and his
19 family are expected to contribute toward the cost of the student's education
20 determined by applying methodology set forth in 20 U.S.C. sec. 1087 kk to
21 1087 vv;~~
- 22 ~~(e)]~~"Participating institution" means an institution of higher education located in
23 Kentucky which offers an eligible program of study and has in force an
24 agreement with the authority providing for administration of this program;
- 25 ~~(e)~~~~(f)~~ "Qualified teaching service" means teaching the major portion of each
26 school day for at least seventy (70) days each semester in a public school of
27 the Commonwealth or a private school certified pursuant to KRS 156.160(3),

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

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

10 ~~(g)~~~~(h)~~ "Summer term" means an academic period consisting of one (1) or more
11 sessions of instruction between a spring and a fall semester.

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

19 (4) Kentucky residents who are United States citizens and enrolled or accepted for
20 enrollment in an eligible program of study at a participating institution shall be
21 eligible to apply for and be awarded teacher scholarships. Teacher scholarships
22 shall first be awarded to highly qualified eligible students who meet standards and
23 requirements established by the Education Professional Standards Board pursuant
24 to KRS 161.028 for admission to a teacher education program at a participating
25 institution in pursuit of initial teacher certification. If funds are not depleted after
26 awarding teacher scholarships to students who meet the preceding criteria, then
27 awards shall be made to any otherwise eligible students.

- 1 (5) The authority shall establish, by administrative regulation, the maximum amount of
2 scholarship to be awarded for each semester and summer term under this section.
3 The amount of each scholarship to be awarded shall not exceed the applicant's total
4 cost of education minus other financial assistance received or expected to be
5 received by the applicant during the academic period.
- 6 (6) (a) The authority shall disburse teacher scholarships to eligible students who
7 agree to render qualified teaching service as certified teachers, and are
8 unconditionally admitted and enrolled in an eligible program of study.
- 9 (b) A teacher scholarship shall not be awarded or a promissory note cancellation
10 shall not be granted to any person who is in default on any obligation to the
11 authority under any program administered by the authority pursuant to KRS
12 164.740 to 164.785 until financial obligations to the authority are satisfied,
13 except that ineligibility for this reason may be waived by the authority for
14 cause.
- 15 (c) Recipients shall render one (1) semester of qualified teaching service for each
16 semester or summer term of scholarship received, except that recipients who
17 teach in a critical shortage area designated by the authority or teach dual
18 credit coursework in a certified Kentucky high school shall render one (1)
19 semester of qualified teaching service as repayment for two (2) semesters or
20 summer terms of scholarships received. Upon completion of each semester of
21 qualified teacher service, the authority shall cancel the appropriate number of
22 promissory notes.
- 23 (d) If the recipient of a teacher scholarship fails to complete an eligible program
24 of study at a participating institution or fails to render qualified teaching
25 service in any semester following certification or recertification, unless the
26 failure is temporarily waived for cause by the authority, the recipient shall
27 immediately become liable to the authority for repayment of the sum of all

- 1 outstanding promissory notes and accrued interest. Persons liable for
2 repayment of scholarships under this paragraph shall be liable for interest
3 accruing from the dates on which the teacher scholarships were disbursed.
- 4 (e) Recipients who have outstanding loans or scholarships under KRS 156.611,
5 156.613, 164.768, or 164.770 respectively, and who render qualified teaching
6 service, shall have their notes canceled in accordance with subsection (6)(c) of
7 this section.
- 8 (f) The authority shall establish, by administrative regulation, the terms and
9 conditions for the award, cancellation, and repayment of teacher scholarships
10 including~~but not limited to~~ the selection criteria, eligibility for renewal
11 awards, amount of scholarship payments, deferments, the rate of repayment,
12 and the interest rate thereon.
- 13 (g) Notwithstanding any other statute to the contrary, the maximum interest rate
14 applicable to repayment of a promissory note under this section shall be eight
15 percent (8%) per annum, except that if a judgment is rendered to recover
16 payment, the judgment shall bear interest at the rate of five percent (5%)
17 greater than the rate actually charged on the promissory note.
- 18 (7) A repayment obligation imposed by this section shall not be voidable by reason of
19 the age of the recipient at the time of receiving the teacher scholarship.
- 20 (8) Failure to meet repayment obligations imposed by this section shall be cause for the
21 revocation of a person's teaching certificate, subject to the procedures set forth in
22 KRS 161.120.
- 23 (9) All moneys repaid to the authority under this section shall be added to the
24 appropriations made for purposes of this section, and the funds and unobligated
25 appropriations shall not lapse.
- 26 (10) The authority may execute appropriate contracts and promissory notes for
27 administering this section.

1 (11) Notwithstanding any other statute to the contrary, if available funds are insufficient
2 for all requested scholarships for eligible applicants during any fiscal year, the
3 authority shall give priority consideration to eligible applicants who previously
4 received teacher scholarships~~[and, until June 30, 2018, to loan forgiveness for~~
5 ~~teachers who have outstanding loan balance eligibility for Best in Class loans issued~~
6 ~~prior to June 30, 2008]~~. If funds are insufficient to make all requested renewal
7 scholarships to eligible applicants, the authority shall reduce all scholarship awards
8 to the extent necessary to provide scholarships to all qualified renewal applicants.
9 If, after awarding all eligible renewal applicants, funds are not depleted, initial
10 applications shall be ranked according to regulatory selection criteria, which may
11 include ~~[expected family contribution and]~~application date, and awards shall be
12 made to highly qualified applicants until funds are depleted.

13 (12) The authority shall submit a report on the number of teacher scholarships provided
14 in each fiscal year, the program of study in which recipients are enrolled, recipient
15 retention rates, total number of applications, and scholarship recruitment strategies
16 to the Interim Joint Committee on Education by December 1 of each year.

17 ➔Section 4. KRS 164.7889 is amended to read as follows:

18 Notwithstanding the provisions of KRS 164.7535 and 164.785 to the contrary, if
19 sufficient funds are available, the authority shall do one (1) of the following:

20 (1) Promulgate an administrative regulation to increase the maximum amount available
21 under the grant programs to each student, up to the prevailing tuition rate charged
22 by the regional public universities for full-time enrollment in an undergraduate
23 program, but in no event shall a student receive more than the student's cost of
24 education less ~~[expected family contribution and]~~other anticipated student financial
25 assistance;

26 (2) Promulgate an administrative regulation to increase the average income level for
27 qualification for the grant programs; or

- 1 (3) Promulgate an administrative regulation that increases both the maximum amount
- 2 available under the grant programs, and increases the average income level for
- 3 qualification for the grant programs.