

1 AN ACT relating to teacher scholarships.

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

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

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

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

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

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

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

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

1 awards shall be made to any otherwise eligible students.

2 (5) The authority shall establish, by administrative regulation, the maximum amount of  
3 scholarship to be awarded for each semester and summer term under this section.

4 The amount of each scholarship to be awarded shall not exceed the applicant's total  
5 cost of education minus other financial assistance received or expected to be  
6 received by the applicant during the academic period.

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

10 (b) A teacher scholarship shall not be awarded or a promissory note cancellation  
11 shall not be granted to any person who is in default on any obligation to the  
12 authority under any program administered by the authority pursuant to KRS  
13 164.740 to 164.785 until financial obligations to the authority are satisfied,  
14 except that ineligibility for this reason may be waived by the authority for  
15 cause.

16 (c) Recipients shall render one (1) semester of qualified teaching service for each  
17 semester or summer term of scholarship received, except that recipients who  
18 teach in a critical shortage area designated by the authority or teach dual  
19 credit coursework in a certified Kentucky high school shall render one (1)  
20 semester of qualified teaching service as repayment for two (2) semesters or  
21 summer terms of scholarships received. Upon completion of each semester of  
22 qualified teacher service, the authority shall cancel the appropriate number of  
23 promissory notes.

24 (d) If the recipient of a teacher scholarship fails to complete an eligible program  
25 of study at a participating institution or fails to render qualified teaching  
26 service in any semester following certification or recertification, unless the  
27 failure is temporarily waived for cause by the authority, the recipient shall

1 immediately become liable to the authority for repayment of the sum of all  
2 outstanding promissory notes and accrued interest. Persons liable for  
3 repayment of scholarships under this paragraph shall be liable for interest  
4 accruing from the dates on which the teacher scholarships were disbursed.

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

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

14 (g) Notwithstanding any other statute to the contrary, the maximum interest rate  
15 applicable to repayment of a promissory note under this section shall be eight  
16 percent (8%) per annum, except that if a judgment is rendered to recover  
17 payment, the judgment shall bear interest at the rate of five percent (5%)  
18 greater than the rate actually charged on the promissory note.

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

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

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

27 (10) The authority may execute appropriate contracts and promissory notes for

1 administering this section.

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

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

18 ➔Section 2. KRS 164.7889 is amended to read as follows:

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

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

27 (2) Promulgate an administrative regulation to increase the average income level for

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