

1 AN ACT relating to teacher scholarships.

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

3 ➔Section 1. KRS 164.773 is amended to read as follows:

- 4 (1) The General Assembly hereby establishes the Student Teacher Stipend Program to  
 5 reduce financial barriers to students in completing educator preparation programs  
 6 and entering the educator workforce.
- 7 (2) As used in this section:
- 8 (a) "Academic term" means a fall or spring academic semester;
- 9 (b) "Approved educator preparation program" means a program approved by the  
 10 Education Professional Standards Board for the preparation of teachers and  
 11 other professional school personnel;
- 12 (c) "Authority" means the Kentucky Higher Education Assistance Authority;
- 13 (d) "Eligible student" means a student who:
- 14 1. Is a citizen or permanent resident of the United States;
- 15 2. Is a Kentucky resident as determined by the authority~~[participating~~  
 16 ~~institution in accordance with criteria established by the Council on~~  
 17 ~~Postsecondary Education for the purposes of admission and tuition~~  
 18 ~~assessment];~~
- 19 3. Is enrolled in an approved educator preparation program at a  
 20 participating institution;
- 21 4. Is approved for student teaching by the participating institution;
- 22 5. ***Is student teaching at a Kentucky public school or nonpublic school***  
 23 ***certified by the Kentucky Board of Education under KRS 156.160,***  
 24 ***except as provided in subsection (7) of this section;***
- 25 **6.** Has not previously received a student teacher stipend under this section;  
 26 and
- 27 **7.**~~[6.]~~ Meets any other criteria established in administrative regulation

1 promulgated by the authority;

2 (e) "Participating institution" means an institution of higher education located in  
3 Kentucky that offers an approved educator preparation program and executes  
4 an agreement with the authority on terms the authority deems necessary or  
5 appropriate for the administration of the Student Teacher Stipend Program;  
6 and

7 (f) "Student teacher" has the same meaning as in KRS 161.010.

8 (3) The Kentucky Higher Education Assistance Authority shall administer the Student  
9 Teacher Stipend Program and shall promulgate administrative regulations in  
10 accordance with KRS Chapter 13A as may be needed for administration of the  
11 program.

12 (4) (a) Beginning with the 2024-2025 academic year, to the extent funds are  
13 available, the authority may award a student teacher stipend of up to five  
14 thousand dollars (\$5,000) to an eligible student during the academic term in  
15 which the student is a student teacher.

16 (b) If funds are not sufficient to award stipends to all eligible students, awards  
17 shall be determined in accordance with administrative regulations  
18 promulgated by the authority.

19 (5) For each academic term, by the deadline established by the authority, a participating  
20 institution shall submit to the authority a report of all eligible students for that  
21 academic term. The authority shall disburse stipend funds ~~monthly~~ to ***eligible***  
22 ***students directly or through*** the participating institution, ***in accordance with the***  
23 ***distribution process determined by the authority*** ~~to distribute to eligible students~~.

24 (6) The participating institution shall notify the authority within five (5) days of the  
25 withdrawal of a previously eligible student from the program and no additional  
26 distributions shall be made to ***or on behalf of*** ~~the participating institution for~~ the  
27 student.

1 (7) *The authority may establish criteria for approving a student teacher stipend for a*  
2 *student who is student teaching outside of Kentucky but is otherwise an eligible*  
3 *student under subsection (2)(d) of this section.*

4 (8) Funds awarded to an eligible student under this section shall not be considered  
5 student financial aid in the year the funds are received.

6 (9)~~(8)~~ By November 1, 2025, and each November 1 thereafter, the authority shall  
7 submit a report to the Legislative Research Commission for referral to the Interim  
8 Joint Committee on Education on the utilization and effectiveness of the Student  
9 Teacher Stipend Program. The Kentucky Center for Statistics shall assist in  
10 developing the report which shall include but not be limited to:

11 (a) The total number of eligible students and stipend recipients, and the total  
12 award amount by participating institution and program;

13 (b) The demographic data of stipend recipients, including but not limited to:

14 1. School district of high school graduation;

15 2. County and city of residence prior to postsecondary enrollment;

16 3. The participating institution in which the eligible student is enrolled  
17 while a student teacher; and

18 4. The school and district in which the eligible student is a student teacher;  
19 and

20 (c) The data correlation between stipend recipients and nonrecipients entering  
21 and remaining in the educator workforce, including but not limited to student  
22 teaching location and teaching position location.

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

24 (1) It is the intent of the General Assembly to establish a teacher scholarship program  
25 to assist highly qualified individuals to become certified Kentucky teachers and  
26 render teaching service in Kentucky schools.

27 (2) For purposes of this section, the terms listed below shall have the following

1 meanings:

- 2 (a) "Critical shortage area" means an understaffing of teachers in particular  
3 subject matters at the secondary level, in grade levels, or in geographic  
4 locations at the elementary and secondary level, as determined by the  
5 commissioner of education in consultation with the authority. The  
6 commissioner and the authority may use any source considered reliable,  
7 including but not limited to local education agencies, to identify the critical  
8 shortage areas;
- 9 (b) "Dual credit" has the same meaning as in KRS 158.007;
- 10 (c) "Eligible program of study" means an undergraduate or graduate program of  
11 study which is preparatory to teacher certification;
- 12 (d) ~~["Expected family contribution" means the amount that a student and his  
13 family are expected to contribute toward the cost of the student's education  
14 determined by applying methodology set forth in 20 U.S.C. sec. 1087 kk to  
15 1087 vv;~~
- 16 ~~(e)~~ "Participating institution" means an institution of higher education located in  
17 Kentucky which offers an eligible program of study and has in force an  
18 agreement with the authority providing for administration of this program;
- 19 ~~(e)~~ ~~(f)~~ "Qualified teaching service" means teaching the major portion of each  
20 school day for at least seventy (70) days each semester in a public school of  
21 the Commonwealth or a private school certified pursuant to KRS 156.160(3),  
22 except that an individual having a disability defined by Title II of the  
23 Americans with Disabilities Act (42 U.S.C. secs. 12131 et seq.) or serious and  
24 extended illness, whose disability or illness, certified by a licensed physician,  
25 prevents that individual from teaching a major portion of each school day,  
26 shall be deemed to perform qualified teaching service by teaching the  
27 maximum time permitted by the attending physician;

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

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

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

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

22       (5) The authority shall establish, by administrative regulation, the maximum amount of  
23          scholarship to be awarded for each semester and summer term under this section.  
24          The amount of each scholarship to be awarded shall not exceed the applicant's total  
25          cost of education minus other financial assistance received or expected to be  
26          received by the applicant during the academic period.

27       (6) (a) The authority shall disburse teacher scholarships to eligible students who

1 agree to render qualified teaching service as certified teachers, and are  
2 unconditionally admitted and enrolled in an eligible program of study.

3 (b) A teacher scholarship shall not be awarded or a promissory note cancellation  
4 shall not be granted to any person who is in default on any obligation to the  
5 authority under any program administered by the authority pursuant to KRS  
6 164.740 to 164.785 until financial obligations to the authority are satisfied,  
7 except that ineligibility for this reason may be waived by the authority for  
8 cause.

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

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

25 (e) Recipients who have outstanding loans or scholarships under KRS 156.611,  
26 156.613, 164.768, or 164.770 respectively, and who render qualified teaching  
27 service, shall have their notes canceled in accordance with subsection (6)(c) of

1           this section.

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

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

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

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

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

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

22       (11) Notwithstanding any other statute to the contrary, if available funds are insufficient  
23          for all requested scholarships for eligible applicants during any fiscal year, the  
24          authority shall give priority consideration to eligible applicants who previously  
25          received teacher scholarships and, until June 30, 2018, to loan forgiveness for  
26          teachers who have outstanding loan balance eligibility for Best in Class loans issued  
27          prior to June 30, 2008. If funds are insufficient to make all requested renewal

1 scholarships to eligible applicants, the authority shall reduce all scholarship awards  
2 to the extent necessary to provide scholarships to all qualified renewal applicants.  
3 If, after awarding all eligible renewal applicants, funds are not depleted, initial  
4 applications shall be ranked according to regulatory selection criteria, which may  
5 include ~~expected family contribution and~~ application date, and awards shall be  
6 made to highly qualified applicants until funds are depleted.

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

11 ➔Section 3. KRS 164.7889 is amended to read as follows:

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

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

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

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