

1 AN ACT relating to teachers.

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

3 ➔SECTION 1. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO
4 READ AS FOLLOWS:

5 *(1) As used in this section:*

6 *(a) "Authority" means the Kentucky Higher Education Assistance Authority;*

7 *(b) "Eligible program of study" means an undergraduate or graduate program*
8 *of study which is preparatory to teacher certification, as determined by the*
9 *authority;*

10 *(c) "Eligible student" means a student who:*

11 *1. Is a citizen or permanent resident of the United States;*

12 *2. Is a Kentucky resident, as determined by the participating institution*
13 *in accordance with criteria established by the Council on*
14 *Postsecondary Education for the purposes of admission and tuition*
15 *assessment;*

16 *3. Is enrolled at a participating institution; and*

17 *4. Meets any other criteria established in administrative regulation*
18 *promulgated by the authority;*

19 *(d) "Participating institution" means an institution of higher education located*
20 *in Kentucky which offers an eligible program of study and has in force an*
21 *agreement with the authority providing for administration of this program;*

22 *(e) "Qualified teaching service" means teaching the major portion of each*
23 *school day for at least seventy (70) days each semester in a public school of*
24 *the Commonwealth or a private school certified pursuant to KRS*
25 *156.160(3), except that an individual having a disability defined by Title II*
26 *of the Americans with Disabilities Act, 42 U.S.C. sec. 12131 et seq.; or*
27 *serious and extended illness, whose disability or illness, certified by a*

1 licensed physician, prevents that individual from teaching a major portion
2 of each school day, shall be deemed to perform qualified teaching service by
3 teaching the maximum time permitted by the attending physician;

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

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

9 (2) The authority may, to the extent of appropriations and other funds available to it
10 pursuant to subsection (8) of this section, award prospective educator
11 scholarships to persons eligible under subsection (3) of this section who initially
12 demonstrate financial need in accordance with standards and criteria established
13 by the authority. Each prospective educator scholarship shall be evidenced by a
14 promissory note that requires repayment or cancellation pursuant to subsection
15 (5) of this section.

16 (3) A Kentucky resident who is a United States citizen, who graduated in the top ten
17 percent (10%) of his or her class, scored twenty-eight (28) or above on the
18 American College Test, and has enrolled or has been accepted for enrollment in
19 an eligible program of study at a participating institution in pursuit of initial
20 teacher certification shall be eligible to apply for and be awarded a prospective
21 educator scholarship.

22 (4) The authority shall establish, by an administrative regulation promulgated in
23 accordance with KRS Chapter 13A, the maximum amount of scholarship to be
24 awarded for each semester and summer term under this section. The amount of
25 each scholarship to be awarded shall not exceed the applicant's total cost of
26 education minus other financial assistance received or expected to be received by
27 the applicant during the academic period.

- 1 (5) (a) The authority shall disburse prospective educator scholarships to eligible
2 students who agree to render qualified teaching service as certified teachers,
3 and are unconditionally admitted and enrolled in an eligible program of
4 study.
- 5 (b) A prospective educator scholarship shall not be awarded or a promissory
6 note cancellation shall not be granted to any person who is in default on
7 any obligation to the authority under any program administered by the
8 authority pursuant to KRS 164.740 to 164.785 until financial obligations to
9 the authority are satisfied, except that ineligibility for this reason may be
10 waived by the authority for cause.
- 11 (c) Recipients shall render one (1) semester of qualified teaching service for
12 each semester or summer term of scholarship received. Upon completion of
13 each semester of qualified teacher service, the authority shall cancel one (1)
14 promissory note.
- 15 (d) If the recipient of a prospective educator scholarship fails to complete an
16 eligible program of study at a participating institution or fails to render
17 qualified teaching service in any semester following certification or
18 recertification, unless the failure is temporarily waived for cause by the
19 authority, the recipient shall immediately become liable to the authority for
20 repayment of the sum of all outstanding promissory notes and accrued
21 interest. Persons liable for repayment of scholarships under this paragraph
22 shall be liable for interest accruing from the dates on which the prospective
23 educator scholarships were disbursed.
- 24 (e) The authority shall administer the prospective educator scholarship
25 program and shall promulgate administrative regulations in accordance
26 with KRS Chapter 13A as may be needed.
- 27 (f) Notwithstanding any other statute to the contrary, the maximum interest

- 1 rate applicable to repayment of a promissory note under this section shall be
2 eight percent (8%) per annum, except that if a judgment is rendered to
3 recover payment, the judgment shall bear interest at the rate of five percent
4 (5%) greater than the rate actually charged on the promissory note.
- 5 (6) A repayment obligation imposed by this section shall not be voidable by reason of
6 the age of the recipient at the time of receiving the prospective educator
7 scholarship.
- 8 (7) Failure to meet repayment obligations imposed by this section shall be cause for
9 the revocation of a person's teaching certificate, subject to the procedures set
10 forth in KRS 161.120.
- 11 (8) All moneys repaid to the authority under this section shall be deposited into the
12 prospective educator scholarship fund created in subsection (11) of this section.
- 13 (9) The authority may execute appropriate contracts and promissory notes for
14 administering this section.
- 15 (10) (a) Notwithstanding any other statute to the contrary, if available funds are
16 insufficient for all requested awards for eligible applicants during any fiscal
17 year, the authority shall give priority consideration to eligible applicants
18 who previously received prospective educator scholarship awards.
- 19 (b) If funds are insufficient to make all requested renewal awards to eligible
20 applicants, the authority shall reduce all awards to the extent necessary to
21 provide awards to all qualified renewal applicants.
- 22 (c) If, after awarding all eligible renewal applicants, funds are not depleted,
23 initial applications shall be ranked according to regulatory selection
24 criteria, and awards shall be made to eligible applicants until funds are
25 depleted.
- 26 (11) (a) There is hereby established in the State Treasury a trust and agency
27 account to be known as the prospective educator scholarship fund. The

1 *fund shall consist of state general fund appropriations, gifts and grants*
2 *from public and private sources, and federal funds.*

3 *(b) The fund shall be administered by the authority for the purpose of providing*
4 *loan repayment as described in this section and no other purpose.*

5 *(c) Notwithstanding KRS 45.229, fund amounts not expended at the close of a*
6 *fiscal year shall not lapse but shall be carried forward into the next fiscal*
7 *year.*