

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 the 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 future Kentucky teacher  
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 future Kentucky teacher scholarship shall be evidenced by  
14           a 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 future  
21           Kentucky teacher 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 future Kentucky teacher scholarships to  
2 eligible students who agree to render qualified teaching service as certified  
3 teachers, and are unconditionally admitted and enrolled in an eligible  
4 program of study.
- 5 (b) A future Kentucky teacher 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 future Kentucky teacher scholarship fails to complete  
16 an 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 future  
23 Kentucky teacher scholarships were disbursed.
- 24 (e) The authority shall administer the future Kentucky teacher 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 future Kentucky teacher  
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           future Kentucky teacher scholarship fund created in subsection (11) of this  
13           section.
- 14   (9) The authority may execute appropriate contracts and promissory notes for  
15           administering this section.
- 16   (10) (a) Notwithstanding any other statute to the contrary, if available funds are  
17           insufficient for all requested awards for eligible applicants during any fiscal  
18           year, the authority shall give priority consideration to eligible applicants  
19           who previously received future Kentucky teacher scholarship awards.
- 20           (b) If funds are insufficient to make all requested renewal awards to eligible  
21           applicants, the authority shall reduce all awards to the extent necessary to  
22           provide awards to all qualified renewal applicants.
- 23           (c) If, after awarding all eligible renewal applicants, funds are not depleted,  
24           initial applications shall be ranked according to regulatory selection  
25           criteria, and awards shall be made to eligible applicants until funds are  
26           depleted.
- 27   (11) (a) There is hereby established in the State Treasury a trust and agency

1                   account to be known as the future Kentucky teacher scholarship fund. The  
2                   fund shall consist of state general fund appropriations, gifts and grants  
3                   from public and private sources, and federal funds.  
4                   **(b) The fund shall be administered by the authority for the purpose of providing**  
5                   **loan repayment as described in this section and no other purpose.**  
6                   **(c) Notwithstanding KRS 45.229, fund amounts not expended at the close of a**  
7                   **fiscal year shall not lapse but shall be carried forward into the next fiscal**  
8                   **year.**