

1       AN ACT relating to scholarship eligibility for proprietary schools.

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 statewide  
10           general education core approved by the Council on Postsecondary  
11           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-third (1/3) of the per credit hour  
18           tuition amount, rounded down to the nearest whole dollar, charged by the  
19           Kentucky Community and 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;

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. Has an agreement with the authority for the administration of the Dual  
2 Credit Scholarship Program;
3. Charges no more than the dual credit tuition rate ceiling per credit hour,  
4 including any additional fees, for any approved dual credit course it  
5 offers to any Kentucky public or nonpublic high school student;
6. Does not charge any tuition or fees to an eligible high school student for  
7 an approved dual credit course beyond what is paid by the Dual Credit  
8 Scholarship Program when the course is not successfully completed; and
9. Is a:
  - 10 a. Kentucky Community and Technical College System institution;
  - 11 b. Four (4) year Kentucky public college or university; ~~or~~
  - 12 c. Four (4) year private college or university that is accredited by the  
13 Southern Association of Colleges and Schools and whose main  
14 campus is located in Kentucky; or

15 **d. Proprietary school as defined in KRS 164.7884 that offers an**

16 **eligible program of study as defined in Section 2 of this Act;** and

17 (i) "Successfully completed" means a student receiving both secondary and  
18 postsecondary credit upon completion of an approved dual credit course.

19 (2) To promote dual credit coursework opportunities at no cost to eligible Kentucky  
20 high school students, the General Assembly hereby establishes the Dual Credit  
21 Scholarship Program.

22 (3) In consultation with the Council on Postsecondary Education and the Kentucky  
23 Department of Education, the authority shall administer the Dual Credit Scholarship  
24 Program and shall promulgate administrative regulations in accordance with KRS  
25 Chapter 13A as may be needed for the administration of the program.

26 (4) (a) Each high school shall apply to the authority for dual credit scholarship funds  
27 for each eligible high school student.

1 (b) The authority may award a dual credit scholarship to an eligible high school  
2 student for an academic term on a first-come, first-served basis by application  
3 date, to the extent funds are available for that purpose.

4 (c) An eligible high school student may receive a dual credit scholarship for a  
5 maximum of:

6 1. Two (2) career and technical education dual credit courses per academic  
7 year; and

8 2. Two (2) general education dual credit courses over the junior and senior  
9 year.

10 (d) The dual credit scholarship award amount shall be equal to the amount  
11 charged by a participating institution, not to exceed the dual credit tuition rate  
12 ceiling for each dual credit hour.

13 (e) Dual credit scholarship funds shall not be used for remedial or developmental  
14 coursework.

15 (5) Each participating institution shall submit information each academic term to the  
16 authority required for the administration of the scholarship as determined by the  
17 authority.

18 (6) The authority shall provide an annual report to the secretary of the Education and  
19 Labor Cabinet, the president of the Council on Postsecondary Education and the  
20 commissioner of the Kentucky Department of Education to include:

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

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

25 (7) By May 31 of each year, the Kentucky Center for Statistics, in collaboration with  
26 the authority, shall publish data on the Dual Credit Scholarship Program's academic  
27 and workforce outcomes. The center shall annually provide a report on the data to

1                   the Interim Joint Committee on Education.

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

6       (b) The trust fund shall consist of state general fund appropriations, gifts and  
7                   grants from public and private sources, and federal funds.

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

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

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

14       (1) The General Assembly hereby establishes the Work Ready Kentucky Scholarship  
15                  Program to ensure that all Kentuckians who have not yet earned a postsecondary  
16                  degree have affordable access to an industry-recognized certificate, diploma, or  
17                  associate of applied science degree and, for students with intellectual disabilities  
18                  enrolled in comprehensive transition and postsecondary programs, affordable  
19                  access to meaningful credentials to prepare for competitive integrated employment.

20       (2) For purposes of this section:

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

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

24                  (c) "Eligible institution" means:

25                  1. An institution as defined in KRS 164.001 that:

26                  a.~~1.~~ Actively participates in the federal Pell Grant program;

27                  b.~~2.~~ Executes a contract with the authority on terms the authority

1                   deems necessary or appropriate for the administration of its  
2                   programs; and

3                   c.[3.] Is a:

4                   *i.[a.]* Kentucky Community and Technical College System  
5                   institution;

6                   *ii.[b.]* Kentucky public university; or

7                   *iii.[e.]* College, university, or vocational-technical school that  
8                   is accredited by a recognized regional or national accrediting  
9                   body and licensed to operate at a site in Kentucky;

10                   or

11                   2. A proprietary school as defined in KRS 164.7884 that offers an  
12                   eligible program of study;

13                   (d) "Eligible program of study" means a program approved by the authority that  
14                   leads to an industry-recognized certificate, diploma, or associate of applied  
15                   science degree in one (1) of Kentucky's top five (5) high-demand workforce  
16                   sectors identified by the Kentucky Workforce Innovation Board and the  
17                   Education and Labor Cabinet or a program of study in a comprehensive  
18                   transition and postsecondary program that leads to a credential, certificate,  
19                   diploma, or degree;

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

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

26                   (3) In consultation with the Education and Labor Cabinet and the Council on  
27                   Postsecondary Education, the Kentucky Higher Education Assistance Authority

1 shall administer the Work Ready Kentucky Scholarship Program and promulgate  
2 administrative regulations in accordance with KRS Chapter 13A as may be needed  
3 for the administration of the scholarship.

4 (4) An eligible workforce student shall:

- 5 (a) Be a citizen or permanent resident of the United States;
- 6 (b) Be a Kentucky resident as determined by the eligible institution in accordance  
7 with criteria established by the Council on Postsecondary Education for the  
8 purposes of admission and tuition assessment;
- 9 (c) 1. Have earned a high school diploma or a High School Equivalency  
10 Diploma or be enrolled in a High School Equivalency Diploma  
11 program; or
  - 12 2. For a student enrolled in a comprehensive transition and postsecondary  
13 program, have received an alternative high school diploma described in  
14 KRS 158.140(2)(b) or have attended a Kentucky public high school and  
15 is a student with an intellectual disability as defined in 34 C.F.R. sec.  
16 668.231;
- 17 (d) Not have earned an associate's degree or higher level postsecondary degree;
- 18 (e) Complete the Free Application for Federal Student Aid for the academic year  
19 in which the scholarship is awarded;
- 20 (f) Complete and submit a Work Ready Kentucky Scholarship application to the  
21 authority;
- 22 (g) Enroll in an eligible program of study at an eligible institution;
- 23 (h) Not be enrolled in an ineligible degree program, such as a bachelor or  
24 unapproved associate program, at any postsecondary institution;
- 25 (i) Following the first academic term scholarship funds are received, achieve and  
26 maintain satisfactory academic progress as determined by the eligible  
27 institution; and

1 (j) Not be in default on any program under Title IV of the federal act or any  
2 obligation to the authority under any program administered by the authority  
3 under KRS 164.740 to 164.7891 or 164.7894, except that ineligibility for this  
4 reason may be waived by the authority for cause.

5 (5) (a) The authority shall award a Work Ready Kentucky Scholarship each  
6 academic term to any person who meets the requirements of this section to the  
7 extent funds are available for that purpose.

8 (b) The scholarship amount awarded to an eligible workforce student for an  
9 academic term shall be the amount remaining after subtracting the student's  
10 federal and state grants and scholarships from the maximum scholarship  
11 amount. The maximum scholarship amount shall be the per credit hour in-  
12 state tuition rate at the Kentucky Community and Technical College System  
13 multiplied by the number of credit hours in which the student is enrolled and  
14 the fees charged to the student. The authority shall promulgate an  
15 administrative regulation in accordance with KRS Chapter 13A to specify the  
16 maximum amount to be awarded for fees.

17 (6) (a) Except as provided in paragraph (b) of this subsection, an eligible workforce  
18 student's eligibility for the scholarship shall terminate upon the earlier of:  
19 1. Receiving the scholarship for a total of sixty (60) credit hours; or  
20 2. Obtaining an associate's degree.

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

25 (7) The authority shall annually provide a report on the Work Ready Kentucky  
26 Scholarship Program, prepared in collaboration with the Kentucky Center for  
27 Statistics, to the secretary of the Education and Labor Cabinet and the Legislative

1       Research Commission for referral to the Interim Joint Committee on Education that  
2       includes, by academic term, academic year, institution, and workforce sector, the  
3       number of:

4       (a) Students served by the scholarship and the total amount disbursed;

5       (b) Credits, certificates, diplomas, and associate of applied science degrees earned  
6       by students receiving the scholarship; and

7       (c) Students receiving the scholarship who are enrolled in a comprehensive  
8       transition and postsecondary program and credentials earned by those  
9       students.

10      (8) The authority shall report Work Ready Kentucky Scholarship program data to the  
11       Kentucky Center for Statistics for analysis of the program's success in meeting the  
12       goal of increasing skilled workforce participation rates.

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

16      (b) The trust fund shall consist of state general fund appropriations, gifts and  
17       grants from public and private sources, and federal funds.

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