

1 AN ACT relating to teacher scholarships, making an appropriation therefor, and
2 declaring an emergency.

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

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

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

8 (2) ***As used in this section***~~[For purposes of this section, the terms listed below shall
9 have the following meanings]:~~

10 (a) "Critical shortage area" means an understaffing of teachers in particular
11 subject matters at the secondary level, in grade levels, or in geographic
12 locations at the elementary and secondary level, as determined by the
13 commissioner of education in consultation with the authority. The
14 commissioner and the authority may use any source considered reliable,
15 including but not limited to local education agencies, to identify the critical
16 shortage areas;

17 (b) "Dual credit" has the same meaning as in KRS 158.007;

18 (c) "Eligible program of study" means an undergraduate or graduate program of
19 study which is preparatory to teacher certification;

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

23 (e) "Qualified teaching service" means teaching the major portion of each school
24 day for at least seventy (70) days each semester in a public school of the
25 Commonwealth or a private school certified pursuant to KRS 156.160(2),
26 except that an individual having a disability ***as*** defined by Title II of the
27 Americans with Disabilities Act, 42 U.S.C. sec. 12131 et seq., or serious and

- 1 extended illness, whose disability or illness, certified by a licensed physician,
2 prevents that individual from teaching a major portion of each school day,
3 shall be deemed to perform qualified teaching service by teaching the
4 maximum time permitted by the attending physician;
- 5 (f) "Semester" means a period of about eighteen (18) weeks, which usually
6 makes up one-half (1/2) of a school year or one-half (1/2) of a participating
7 institution's academic year; and
- 8 (g) "Summer term" means an academic period consisting of one (1) or more
9 sessions of instruction between a spring and a fall semester.
- 10 (3) The authority may, to the extent of appropriations and other funds available to it
11 pursuant to subsection (9) of this section, award teacher scholarships to persons
12 eligible under subsection (4) of this section, who initially demonstrate financial
13 need in accordance with standards and criteria established by the authority or
14 received teacher scholarships pursuant to this section prior to July 1, 1996. Each
15 teacher scholarship shall be evidenced by a promissory note that requires repayment
16 or cancellation pursuant to subsection (6) of this section.
- 17 (4) Kentucky residents who are United States citizens and enrolled or accepted for
18 enrollment in an eligible program of study at a participating institution shall be
19 eligible to apply for and be awarded teacher scholarships. Teacher scholarships
20 shall first be awarded to highly qualified eligible students who meet standards and
21 requirements established by the Education Professional Standards Board pursuant
22 to KRS 161.028 for admission to a teacher education program at a participating
23 institution in pursuit of initial teacher certification. If funds are not depleted after
24 awarding teacher scholarships to students who meet the preceding criteria, then
25 awards shall be made to any otherwise eligible students.
- 26 (5) The authority shall establish, by administrative regulation, the maximum amount of
27 scholarship to be awarded for each semester and summer term under this section.

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

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

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

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

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

1 accruing from the dates on which the teacher scholarships were disbursed.

2 (e) Recipients who have outstanding loans or scholarships under KRS 156.611,
3 156.613, 164.768, or 164.770 respectively, and who render qualified teaching
4 service, shall have their notes canceled in accordance with subsection (6)(c) of
5 this section.

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

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

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

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

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

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

26 (11) Notwithstanding any other statute to the contrary, if available funds are insufficient
27 for all requested scholarships for eligible applicants during any fiscal year, the

1 authority shall give priority consideration to eligible applicants who previously
2 received teacher scholarships and, until June 30, 2018, to loan forgiveness for
3 teachers who have outstanding loan balance eligibility for Best in Class loans issued
4 prior to June 30, 2008. If funds are insufficient to make all requested renewal
5 scholarships to eligible applicants, the authority shall reduce all scholarship awards
6 to the extent necessary to provide scholarships to all qualified renewal applicants.
7 If, after awarding all eligible renewal applicants, funds are not depleted, initial
8 applications shall be ranked according to regulatory selection criteria, which may
9 include application date, and awards shall be made to highly qualified applicants
10 until funds are depleted.

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

16 (13) (a) For the 2026-2027 and 2027-2028 academic years, a pilot program is
17 established to provide scholarships to students who are pursuing a teaching
18 career in a math- or science-related discipline. Unless otherwise provided in
19 this subsection, the math and science scholarship pilot program shall be
20 administered by the authority in the same manner as the teacher
21 scholarship program under this section.

22 (b) For purposes of the pilot program, as funds are available, each school
23 district shall annually and equally receive up to twenty-five thousand
24 dollars (\$25,000) for distribution to one (1) or more eligible students, as
25 described in subsection (4) of this section, who live in or graduated from the
26 district. An eligible student may be awarded a scholarship of up to twenty-
27 five thousand dollars (\$25,000) in each academic year of the pilot program.

1 If the pilot program is extended beyond the 2027-2028 academic year by the
2 General Assembly, an eligible student may be awarded up to a total of one
3 hundred thousand dollars (\$100,000) over four (4) academic years.

4 (c) To participate in the pilot program, a student shall be enrolled in a math- or
5 science-related eligible program of study that is approved for the pilot
6 program by the authority, maintain at least a minimum three and two-tenths
7 (3.2) grade point average on a four (4) point scale, and complete the Free
8 Application for Federal Student Aid to determine the level of need and
9 eligibility for state and federal financial aid programs. A scholarship shall:

10 1. Not exceed the eligible student's cost of:

11 a. Tuition and mandatory fees, less any state or federal grants
12 received; and

13 b. Assessment in accordance with subparagraph 2.b. of this
14 paragraph; and

15 2. Only be used for:

16 a. Tuition and mandatory fees; and

17 b. Registration for an appropriate assessment selected by the
18 Education Professional Standards Board under KRS 161.030.

19 (d) For each school district containing a high school, the superintendent shall
20 establish a four (4) member selection committee composed of the following
21 individuals:

22 1. The superintendent, who shall serve as the chair;

23 2. One (1) math teacher;

24 3. One (1) science teacher; and

25 4. One (1) lay member who is a resident of the district.

26 (e) A selection committee established under paragraph (d) of this subsection
27 shall evaluate student applications for the math and science scholarship

1 pilot program based on selection criteria established by the authority,
2 pursuant to subsection (6)(f) of this section and any additional evaluation
3 requirements established by the selection committee. The authority shall
4 establish, by administrative regulation, the process for a selection committee
5 to:

- 6 1. Solicit, accept, and review scholarship applications; and
- 7 2. Submit a selected scholarship recipient to the authority for the
8 upcoming academic year.

9 (f) Notwithstanding subsection (6)(c) of this section, eligible students awarded
10 a scholarship under this subsection shall:

- 11 1. After the completion of a math- or science-related eligible program of
12 study, render qualified teaching service in a math or science subject
13 area, as determined by the authority, as repayment for the total
14 scholarship amount received through the pilot program. For total
15 awards of:

16 a. Up to ten thousand dollars (\$10,000), the eligible student shall
17 render one (1) year of qualified teaching service;

18 b. Ten thousand one dollars (\$10,001) to twenty-five thousand
19 dollars (\$25,000), the eligible student shall render two (2) years
20 of qualified teaching service; or

21 c. Twenty-five thousand one dollars (\$25,001) to one hundred
22 thousand dollars (\$100,000), the eligible student shall render a
23 minimum of four (4) years of qualified teaching service or more,
24 as determined by the authority; and

- 25 2. Only render qualified teaching service in the district from which the
26 scholarship was awarded to satisfy the repayment requirements of this
27 paragraph. If an eligible student fails to meet the repayment

1 requirements in subparagraph 1. of this paragraph or complete an
2 eligible program of study, the eligible student shall be subject to
3 subsections (6) and (8) of this section.

4 ➔Section 2. There is hereby appropriated General Fund moneys in the amount of
5 \$4,175,000 in each fiscal year of the 2026-2028 fiscal biennium to the Kentucky Higher
6 Education Assistance Authority for the scholarship pilot program established in
7 subsection (13) of Section 1 of this Act.

8 ➔Section 3. Whereas the scholarship pilot program established in this Act begins
9 with the 2026-2027 academic year, and immediate planning and preparation are required
10 for timely implementation of the program, an emergency is declared to exist, and this Act
11 takes effect upon its passage and approval by the Governor or upon its otherwise
12 becoming a law.