

1 AN ACT relating to the efficient use of public funds in postsecondary institutions.

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 *The Council on Postsecondary Education shall:*

6 *(1) Promulgate administrative regulations in accordance with KRS Chapter 13A to*
7 *prohibit public funds from being allocated or expended, either directly or*
8 *indirectly, by or on behalf of a public postsecondary institution towards a degree*
9 *in a low-earning outcome program as described in 20 U.S.C. sec. 1087d(c). The*
10 *administrative regulations shall include:*

11 *(a) A list of funds subject to this prohibition, including:*

12 *1. Individual student financial aid;*

13 *2. Base operational or instructional funding;*

14 *3. Separately or specially appropriated aid or grants that are not*
15 *mandated programs as defined in KRS 164.092;*

16 *4. Capital or facilities funding; and*

17 *5. Performance-based funding; and*

18 *(b) A list of current degrees in low-earning outcome programs at public*
19 *postsecondary institutions;*

20 *(2) Annually review updated federal determinations of low-earning outcome*
21 *programs as described in 20 U.S.C. sec. 1087d(c) and amend or promulgate*
22 *administrative regulations in accordance with subsection (1) of this section to*
23 *ensure the list of degrees in low-earning outcome programs remains current; and*

24 *(3) Submit an annual report by May 1, 2027, and each May 1 thereafter, to the*
25 *Legislative Research Commission for referral to the appropriate interim joint*
26 *committee that describes:*

27 *(a) The low-earning outcome programs prohibited from receiving public funds;*

- 1 (b) Measures taken to ensure compliance by the public postsecondary
- 2 institutions;
- 3 (c) Any known violations of the prohibition;
- 4 (d) The amount of public postsecondary institution funds that were withdrawn
- 5 or redirected that would previously have been spent on low-earning
- 6 outcome program degrees; and
- 7 (e) Any student aid or scholarship dollars that were not disbursed to students
- 8 who would otherwise have been eligible due to the student's enrollment in a
- 9 low-earning outcome program degree.